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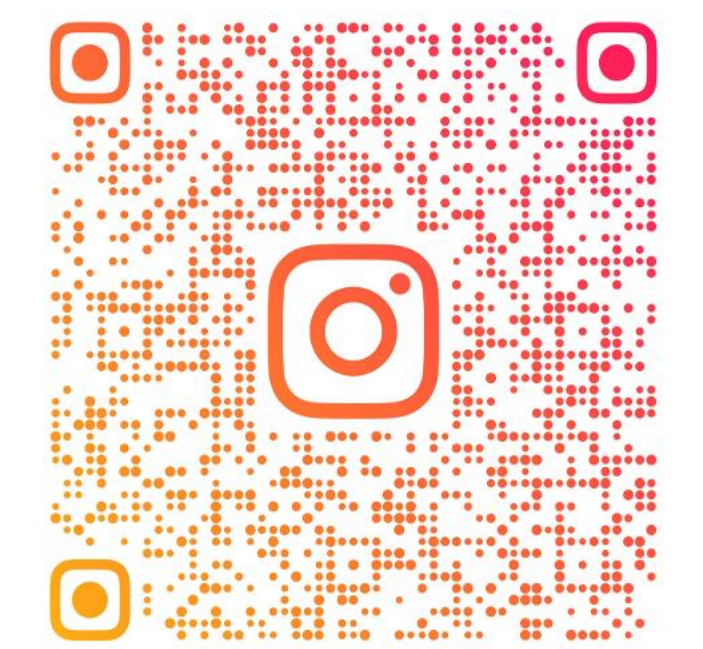


# CA ADARSH JOSHI

CA , B.COM

**FOUNDER**

- 8+ years of teaching experience in CA education
- Subject Expert in:  
CA Foundation – Paper 2: Business Laws  
CA Intermediate – Paper 2: Corporate and Other Laws
- Has uploaded over 3000+ educational videos for CA Foundation and CA Inter students
- Known for his dynamic, conceptual and “fun-and-learn” teaching style
- Guided thousands of students across India to success in CA exams
- Strong academic background with B.Com (BMCC, Pune) and ACA qualification
- Widely appreciated for his clarity, energy, and practical approach to law subjects
- Through Shikshadwar, offers comprehensive classes, books, tests, and mentorship to CA students



CAADARSHJOSHI



# CA DARSHAN JAIN

CA , CS , LLB , DISA , DIRM , B.COM

CO FOUNDER

- Chartered Accountant by profession & educator by passion
- Teaching Financial Accounting , Financial Management & Strategic Management to CA Students For 12 Years.
- Practicing Chartered Accountant For Past 13 years in The Field of Audit , Direct & Indirect Taxes & Management Consultancy
- Elected as Convenor of The Jalna CA CPE Chapter of WIRC of ICAI For 2 consecutive years 20-21 & 21-22.
- He Has Successfully Completed & Qualified Following Certificate Course Conducted By ICAI
  1. Forensic Accounting & Fraud Detection
  2. Concurrent Audit of Banks
  3. Goods & Service Tax (GST)
  4. Public Finance & Accounting
  5. Drafting & Pleading Before Authorities
  6. Wealth management & Financial Planning
  7. Artificial Intelligence



@CA\_DARSHAN\_JAIN

# CA TUSHAR TAPARIA

CA , LLB

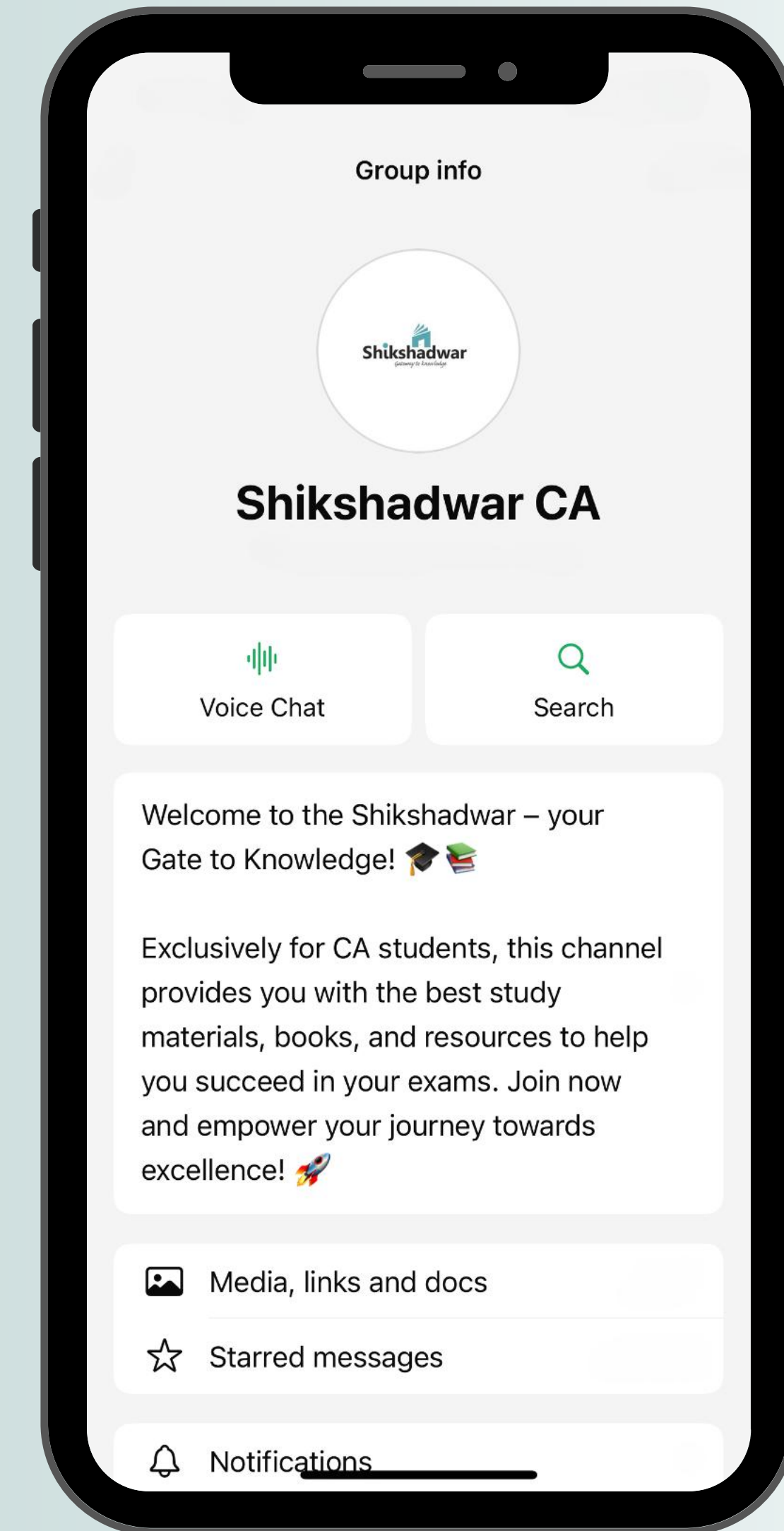
- A multi-faceted professional with a Chartered Accountancy qualification and a Bachelor's degree in Law.
- Brings 7+ years of teaching experience across CA and CS professional courses.
- Specializes in:
  - Taxation at CA Intermediate and CS Executive levels
  - Economics at CA Foundation level
- Known for simplifying complex concepts with crystal-clear explanations and practical insights.
- Expert in delivering Fasttrack batches with proven accelerated learning techniques.
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- Loved by students for his interactive teaching style, real-life examples, and exam-oriented approach.



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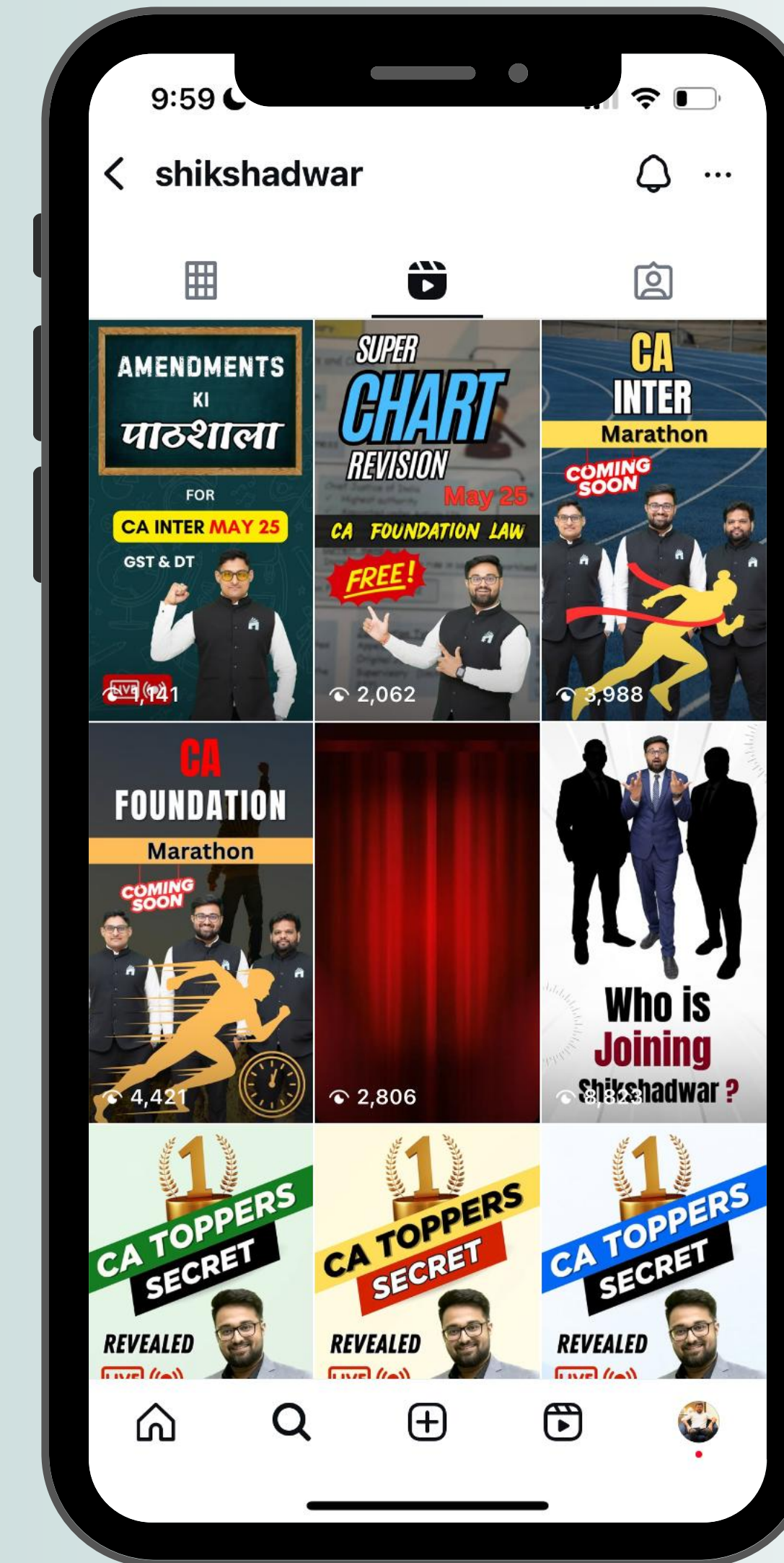


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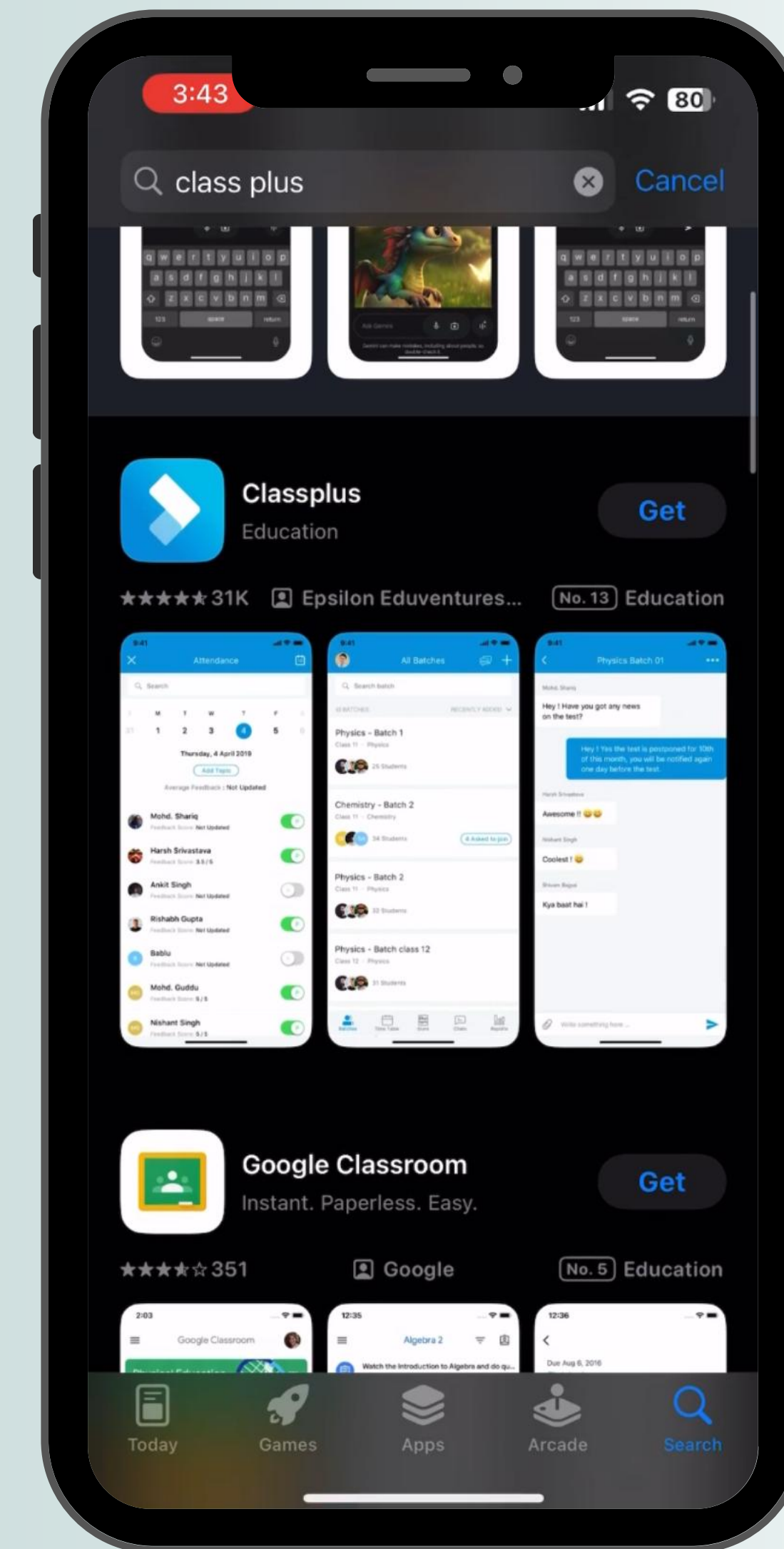
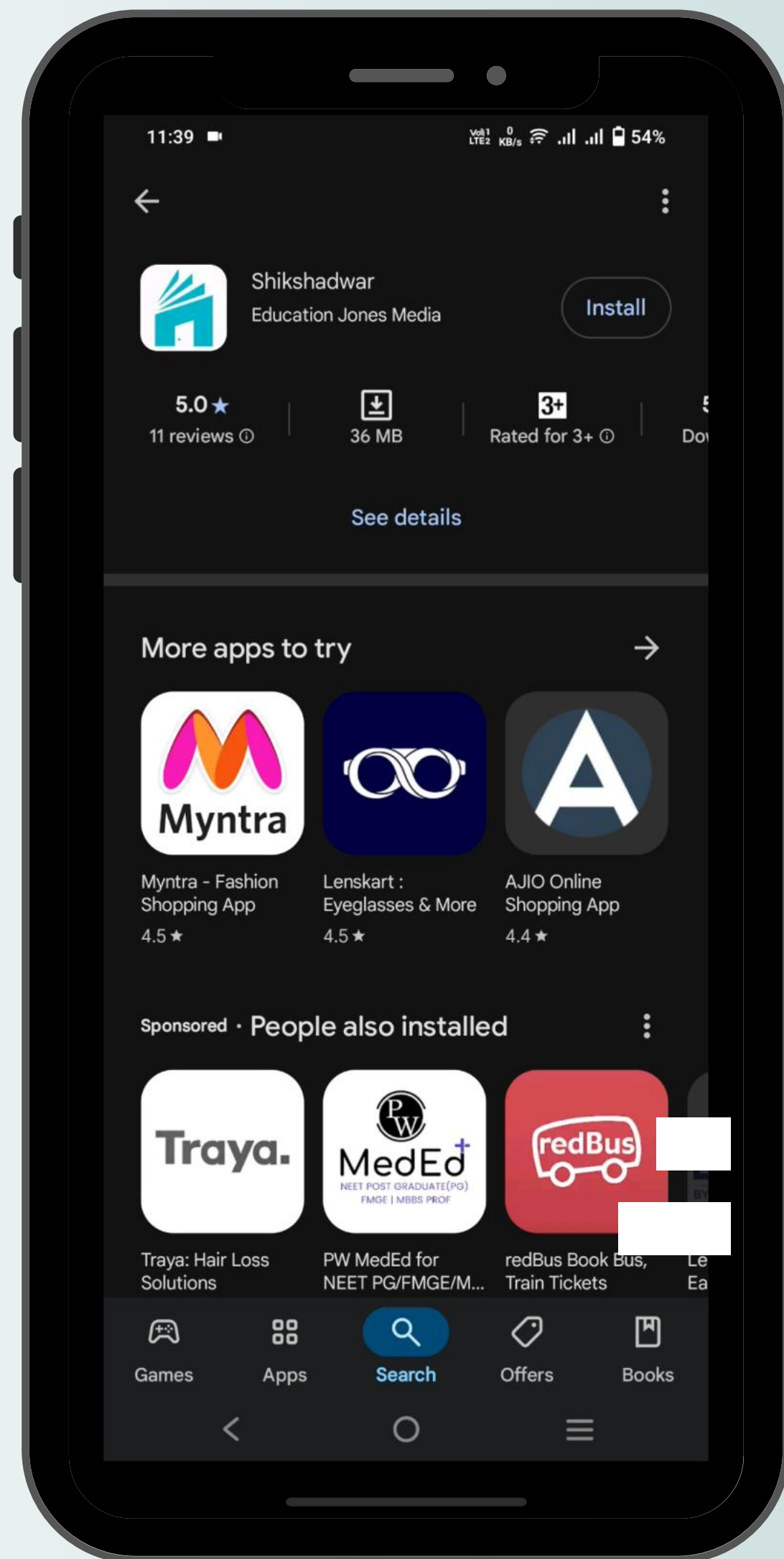
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# CA INTERMEDIATE MAY 25

## Marathons Live Streams



RRR - Result Oriented Rapid Revision

Most Imp Questions



One Shot MCQ's Marathon

Super Chart Revision









Amendments Ki Pathshala

20 -20 Series

# CA INTERMEDIATE MAY 25

## Marathons Schedule With Links

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
17/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	RRR	
18/4/2025	12.00 NOON	CA TUSHAR TAPARIA	GST	RRR	
19/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	RRR	
20/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	ONE SHOT MCQ MARATHON	
21/4/2025	2.00 PM	CA TUSHAR TAPARIA	GST	GST AMENDMENTS & ITS IMPORTANT QUESTIONS	
23/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	ONE SHOT MCQ MARATHON	

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
24/4/2025	2.00 PM	CA TUSHAR TAPARIA	DT	DT AMENDMENTS & ITS IMPORTANT QUESTIONS	
27/4/2025	8.00 AM	CA CS DARSHAN JAIN	SM	ONE SHOT MCQ MARATHON	
4/5/2025	8.00 AM	CA ADARSH JOSHI	LAW	MOST IMPORTANT QUESTIONS	
6/5/2025	3.00 PM	CA TUSHAR TAPARIA	TAXATION	20-20	
12/5/2025	8.00 AM	CA CS DARSHAN JAIN	FM	20-20	
13/5/2025	8.00 AM	CA CS DARSHAN JAIN	SM	SUPER CHART REVISION	

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# STRATEGY IMPLEMENTATION & EVALUATION

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**SM RTP MTP PYP**

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# Case Scenario Based Qs.

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# QUE 1 (SM/PYP MAY 19/PYP NOV 22/PYP MAY 23/RTP MAY 18/MTP MAY 21 S2)

Suresh Sinha has been recently appointed as the head of a strategic business unit of a large multiproduct company. Advise Mr. Sinha about the leadership role to be played by him in execution of strategy.

Or

You have been appointed as a Chief Executive Officer (CEO) in a company which is facing many difficulties in proper execution of its strategy. Explain the leadership roles which you should play in pushing for good strategy execution.

Or

You have been appointed as head of the Strategic Business unit of a large multi-product company. Explain the leadership roles, you have to play as a manager in pushing for good strategy execution.

Or

Discuss the leadership roles played by the managers in pushing for good strategy execution.

## ANSWER:

A strategic leader is a change agent to initiates strategic changes in the organisations and ensure that the changes successfully implemented.

### Managers have five leadership roles to play in pushing for good strategy execution:

1. Staying on top of what is happening, closely monitoring progress, solving out issues, and learning what obstacles lie in the path of good execution.
2. Promoting a culture of *esprit de corps* that mobilizes and energizes organizational members to execute strategy in a competent fashion and perform at a high level.
3. Keeping the organization responsive to changing conditions, alert for new opportunities, bubbling with innovative ideas, and ahead of rivals in developing competitively valuable competencies and capabilities.
4. Exercising ethical leadership and insisting that the company conduct its affairs like a model corporate citizen.
5. Pushing corrective actions to improve strategy execution and overall strategic performance.

## QUE 2 (SM/PYP MAY 18/PYP MAY 23/RTP MAY 19/ RTP MAY 21/MTP MAY 22 S1/MTP N23 S1)

Ramesh, is owner of a popular brand of Breads. Yashpal, his son after completing Chartered Accountancy started assisting his father in running of business. The approaches followed by father and son in management were very different. While Ramesh preferred to use authority and having a formal system of defining goals and motivation with explicit rewards and punishments, Yashpal believed in involving employees and generating enthusiasm to inspire people to deliver in the organization. Discuss the difference in leadership style of father and son.

Or

Ram and Shyam are two brothers engaged in the business of spices. Both have different approaches to management. Ram prefers the conventional and formal approach in which authority is used for explicit rewards and punishment. While, on the other hand, Shyam believes in democratic participative management approach, involving employees to give their best. Analyse the leadership style followed by Ram and Shyam.

Or

Suraj Prakash and Chander Prakash are two brothers engaged in the business of spices. Both have different approaches to management. Suraj Prakash prefers the conventional and formal approach in which authority is used for explicit rewards and punishment. While, on the other hand, Chander Prakash believes in democratic participative management approach, involving employees to give their best. Analyse the leadership style followed by Suraj Prakash and Chander Prakash.

## ANSWER:

1. **Ramesh is a follower of Transactional leadership style.**

### **2. Features of Transactional Leadership Style**

- a) Transactional leadership style focuses more on designing systems and controlling the organization's activities and are more likely to be associated with improving the current situation.
- b) Transactional leaders try to build on the existing culture and enhance current practices.
- c) Transactional leadership style uses the authority of its office to exchange rewards.
- d) They prefer a more formalized approach to motivation, setting clear goals with explicit rewards or penalties for achievement or non-achievement.
- e) Transactional leadership style may be appropriate in static environment, in mature industries, and in organizations that are performing well.
- f) The style is better suited in persuading people to work efficiently and run operations smoothly.

3. **Yashpal is follower of Transformational leadership style.**

### **4. Features of Transformational Leadership Style**

- a) Transformational leadership style uses charisma and enthusiasm to inspire people to exert them for the good of the organization.

- b) Transformational leadership style may be appropriate in turbulent environments, in industries at the very start or end of their life-cycles, in poorly performing organizations when there is a need to inspire a company to embrace major changes.
- c) Transformational leaders offer excitement, vision, intellectual stimulation and personal satisfaction. They inspire involvement in a mission, giving followers a 'dream' or 'vision' of a higher calling so as to elicit more dramatic changes in organizational performance.
- d) Transformational leadership motivates followers to do more than originally affected to do by stretching their abilities and increasing their self-confidence, and also promote innovation throughout the organization.

## QUE 3 (SM/RTP NOV 18/RTP MAY 20/MTP NOV 18 S2)

KaAthens Ltd., a diversified business entity having business operations across the globe. The company leadership has just changed as Mr. D. Bandopadhyay handed over the pedals to his son Aditya Bandopadhyay, due to his poor health. Aditya is a highly educated with an engineering degree from IIT, Delhi. However, being very young he is not clear about his role and responsibilities. In your view, what are the responsibilities of Aditya Bandopadhyay as CEO of the company.

Or

Mathew & Sons Ltd. is a diversified business entity having business operations across the globe. Presently, Mr. Mathew is the CEO of Mathew & Sons Ltd. He is going to retire in next 4 months, so he has decided to change the company's leadership and hand over the pedals to his elder son Marshal. Marshal is a highly educated with an engineering degree from USA. However, being very young he is not clear about his role and responsibilities. In your view, what are the responsibilities of Marshal as CEO of Mathew & Sons Ltd.

## ANSWER:

Aditya Bandopadhyay, an effective strategic leader of KaAthens Ltd. must be able to deal with the diverse and cognitively complex competitive situations that are characteristic of today's competitive landscape.

### A Strategic leader has several responsibilities, including the following:

- i. Making strategic decisions.
- ii. Formulating policies and action plans to implement strategic decision.
- iii. Ensuring effective communication in the organization.
- iv. Managing human capital (perhaps the most critical of the strategic leader's skills).
- v. Managing change in the organization.
- vi. Creating and sustaining strong corporate culture.
- vii. Sustaining high performance over time.

## QUE 4 (SM/PYP JAN 21/MTP MAY 22)

Sanya Private Limited is an automobile company. For the past few years, it has been observed that the progress of the company has become stagnant. When scrutinized, it was found that the planning department was performing fairly well but the plans could not be implemented due to improper use of resources, undesirable tendencies of workers and non-conformance to norms and standards. You are hired as a Strategic Manager. Suggest the elements of process of control to overcome the problem.

## ANSWER:

1. Sanya Private Limited deteriorating performance due to poor implementation of plans that is improper use of resources, undesirable tendencies of the workers, and non-conformance to norms and standards, all point towards weak controls in the organization.
2. Implementation of plans cannot assure results unless strong and sufficient controls are put in place. The management of the company should focus diligently on developing controls especially in the identified problem areas.
3. The process of control has the following elements which would ensure a proper check on improper use of resources, undesirable tendencies of the workers, and non-conformance to norms and standards and ensure a result-oriented implementation of plans.
  - i. Objectives of the business system which could be operationalized into measurable and controllable standards.
  - ii. A mechanism for monitoring and measuring the performance of the system.
  - iii. A mechanism -
    - a) for comparing the actual results with reference to the standards
    - b) for detecting deviations from standards and
    - c) for learning new insights on standards themselves.
  - iv. A mechanism for feeding back corrective and adaptive information and instructions to the system, for effecting the desired changes to set right the system to keep it on course.

## QUE 5 (SM/PYP JAN 21)

Moonlight Private Limited deals in multi-products and multi-businesses. It has its own set of competitors. It seems impractical for the company to provide separate strategic planning treatment to each one of its product or businesses. As a strategic manager, suggest the type of structure best suitable for Moonlight Private Limited and state its benefits.

## ANSWER:

1. It is advisable for Moonlight Private Limited to follow the **strategic business unit (SBU) structure**.
2. Moonlight Private Limited has a multi-product and multi-business structure where, each of these businesses has its own set of competitors. In the given case, Strategic Business Unit (SBU) structure would best suit the interests of the company.
3. SBU is a part of a large business organization that is treated separately for strategic management purposes. It is separate part of large business serving product markets with readily identifiable competitors. It is created by adding another level of management in a divisional structure after the divisions have been grouped under a divisional top management authority based on the common strategic interests.
4. Very large organizations, particularly those running into several products, or operating at distant geographical locations that are extremely diverse in terms of environmental factors, can be better managed by creating strategic business units, just as is the case for Moonlight Private Limited. SBU structure becomes imperative in an organization with increase in number, size and diversity.
5. **Benefits of SBUs:**
  - i. Establishing coordination between divisions having common strategic interest.
  - ii. Facilitate strategic management and control.
  - iii. Determine accountability at the level of distinct business units.
  - iv. Allow strategic planning to be done at the most relevant level within the total enterprise.
  - v. Make the task of strategic review by top executives more objective and more effective.
  - vi. Help to allocate resources to areas with better opportunities.
  - vii. Thus, an SBU structure with its set of advantages would be most suitable for the company with the given diverse businesses having separate identifiable competitors, but a common organizational goal.

## QUE 6 (SM/PYP NOV 18)

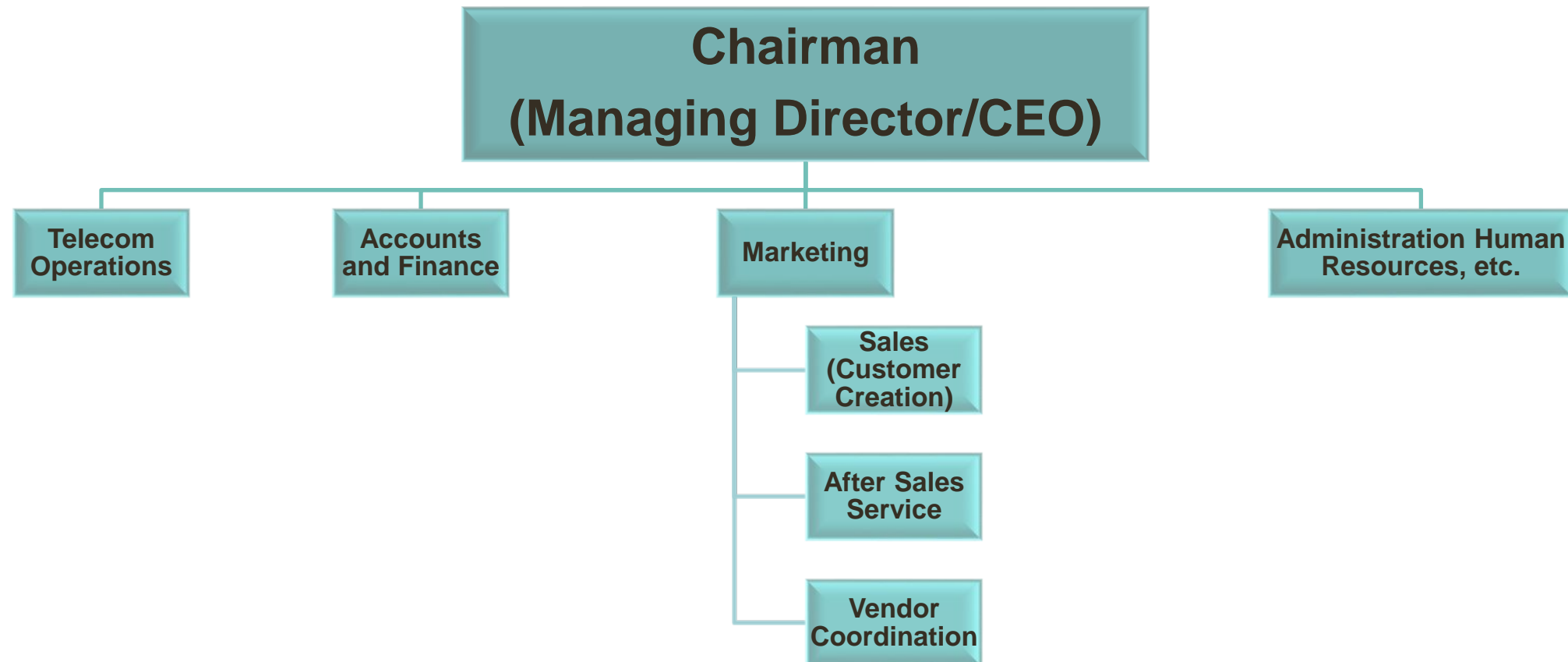
Manoj started his telecom business in 2010. Over next five years, he gradually hired fifty people for various activities such as to keep his accounts, administration, sell his products in the market, create more customers, provide after sales service, coordinate with vendors.

Draw the organization structure Manoj should implement in his organization and name it.

## ANSWER:

Manoj has started a telecom business. Accounts, Administration, Marketing (customer creation, after sales service, vendor coordination) are the functional areas that are desired in the organisational structure. Further there is inherent need to have a department for the management of telecom services/ operations.

Thus, the functional structure in the telecom business of Manoj can be as follows:



## QUE 7 (SM/PYP MAY 19 /RTP NOV 19RTP NOV 20/MTP NOV 20 S1/MTP NOV 21 S1)

Delta is an organization specializing in Information Technology enables Services (ITeS) and Communications business. Previous year the organization had successfully integrated an Artificial Intelligence (AI) tool named 'Zeus' into the existing ERP system. The AI tool using Deep Learning technique provided a digital leap transformation in various business processes and operations. It has significantly diminished the role played by specialist managers of the middle management. This technological tool in addition to saving organisational costs by replacing many tasks of the middle management, has also served as a link between top and bottom levels in the organization and assists in faster decision making. The skewed middle level managers now perform cross-functional duties. Which type of organisational structure is the company transitioning into? How can this structure benefit the organization?

Or

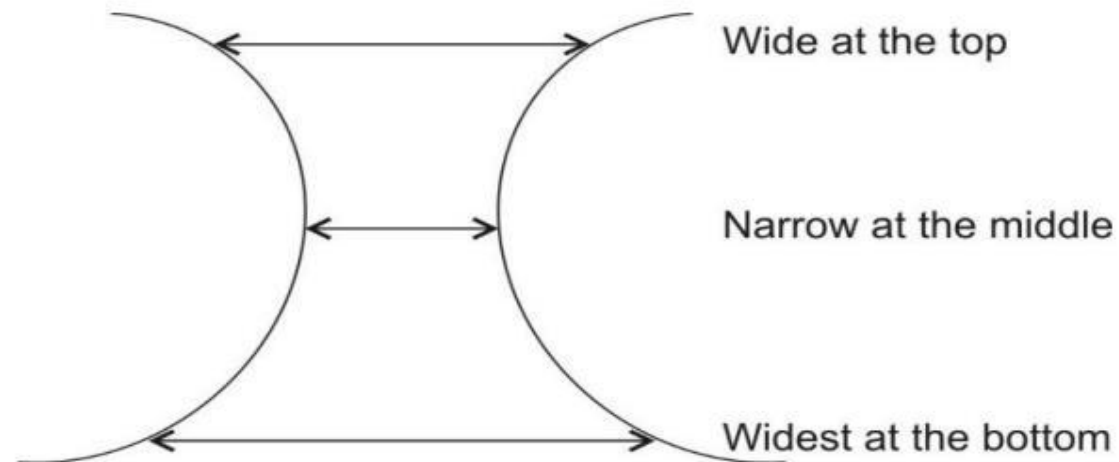
Maadhyam, a hearing aid manufacturer recently introduced an AI based management tool in its organization which are having the qualities and capabilities of managing teams across functions. This technological tool in addition to saving organisational costs by replacing many tasks of the middle management has also served as a link between top and bottom levels in the organisation and assists in quick decision making. The skewed middle level managers now perform cross-functional duties. What could be their new organizational structure post implementation of AI based management tool?

Or

What is an 'hour glass structure'? How can this structure benefit an organization?

## ANSWER:

1. The company Delta is transitioning into the **Hourglass organization structure** because it has used technological tools to transform various business processes and operations and has significantly diminished the role played by specialist managers of the middle management.
2. The technological tool in addition to savings organisational costs by replacing many tasks of the middle management has also served as a link between top and bottom levels in the organization and assists in faster decision making. The skewed middle level managers now perform cross-functional duties.
3. All these factors indicate towards Hourglass organization structure.



4. Hourglass structure has obvious benefit of reduced costs. It also helps in enhancing responsiveness by simplifying decision making. Decision making authority is shifted close to the source of information so that it is faster. However, with the reduced size of middle management, the promotion opportunities for the lower levels diminish significantly.

**QUE 8 (PYP MAY 18/PYP JAN 21/PYP DEC 21/RTP NOV 18/RTP NOV 19/RTP NOV 21/MTP MAY 19 S1/ MTP NOV 21 S1 / MTP NOV 22 S1/MTP NOV 23 S2)**

Strategy execution is an operations-oriented activity which involves a good fit between strategy and organizational capabilities, structure, climate & culture. Enumerate the principal aspects of strategy execution process which are used in most of the situations.

Or

To convert strategic plans into actions and results, a manager must be able to direct organizational change, motivate people, build and strengthen company competencies and competitive capabilities, create a strategy-supportive work climate, and meet or beat performance targets. Explain the principal aspects of strategy-execution process.

Or

Explain the principal/important aspects of strategy-execution process.

Or

What are the important aspects of the process of implementation of strategy?

## **ANSWER:**

Implementation or execution is an operations-oriented activity aimed at shaping the performance of core business activities in a strategy-supportive manner. To convert strategic plans into actions and results, a manager must be able to direct organizational change, motivate people, build and strengthen company's competencies and competitive capabilities, create a strategy-supportive work culture, and meet or beat performance targets. Good strategy execution involves creating strong "fits" between strategy and organizational capabilities, structure, climate and culture.

### **In most situations, strategy-execution process includes the following principal aspects:**

1. Developing budgets that steer ample resources into those activities critical to strategic success.
2. Staffing the organization with the needed skills and expertise, consciously building and strengthening strategy-supportive competencies and competitive capabilities, and organizing the work effort.
3. Ensuring that policies and operating procedures facilitate rather than impede effective execution.
4. Using best-known practices to perform core business activities & pushing for continuous improvement.
5. Installing information and operating systems that enable company personnel to better carry out their strategic roles day in and day out.
6. Motivating people to pursue the target objectives energetically.
7. Creating a company culture and work climate conducive to successful strategy implementation and execution.
8. Exerting the internal leadership needed to drive implementation forward and keep improving strategy execution. When the organization encounters stumbling blocks or weaknesses, management has to see that they are addressed and rectified quickly.

## QUE 9 (PYP MAY 24)

BOYA Ltd. is a venture in the market present for a decade. Till, 2023, it was working on the values and vision of its founder while operating in limited area of operations.

Growth opportunities exist for BOYA Ltd. Considering the changing environment, company is interested to leverage new skills in marketing, technology, product development and financial management. As a known fact, modifying one aspect might have a ripple effect on other elements. The company wants to understand various hard and soft elements interrelated with each other in the company and having a bearing on effective operational results.

As a strategist, you intend to prepare a questionnaire based on both types of elements by analyzing the organizational design. The response to the same will help in finding an answer to ensure effectiveness through the interaction of such elements.

Briefly discuss the strategic model you will use in the given situation. State the limitations of the model as well.

## ANSWER:

1. In addressing the strategic needs of BOYA Ltd., the **McKinsey 7S Model** is an effective tool to consider. This model focuses on the interaction of hard and soft elements within an organization, suggesting that modifying one aspect might have a ripple effect on the other elements to maintain an effective balance.
2. The McKinsey 7S Model helps analyze the company's organizational design to achieve effectiveness interaction of hard and soft elements.
3. The **Hard elements** are directly **controlled by the management**. The following elements are the hard elements in an organization.
  - a) **Strategy:** the direction of the organization, a blueprint to build on a core competency and achieve competitive advantage to drive margins and lead the industry.
  - b) **Structure:** depending on the availability of resources and the degree of centralisation or decentralization that the management desires, it chooses from the available alternatives of organizational structures.
  - c) **Systems:** the development of daily tasks, operations and teams to execute the goals and objectives in the most efficient and effective manner.
4. The **Soft elements** are difficult to define as they are more **governed by culture**. But these soft elements are equally important in determining an organization's success as well as growth in the industry. The following are the soft elements in this model.

- a) **Shared Values:** The core values which get reflected within the organizational culture or influence the code of ethics of the management.
  - b) **Style:** This depicts the leadership style and how it influences the strategic decisions of the organisation. It also revolves around people motivation and organizational delivery of goals.
  - c) **Staff:** The talent pool of the organisation.
  - d) **Skills:** The core competencies or the key skills of the employees play a vital role in defining the organizational success.
5. While the McKinsey 7S Model provides a structured approach to analysing organizational effectiveness, it has certain limitations:
- a) It ignores the importance of the external environment and depicts only the most crucial elements within the organization.
  - b) The model does not clearly explain the concept of organizational effectiveness or performance.
  - c) The model is considered to be more static and less flexible for decision making.
  - d) It is generally criticized for missing out the real gaps in conceptualization and execution of strategy.
6. By applying the McKinsey 7S Model, BOYA Ltd. can gain a comprehensive understanding of how different elements within the organization interact and influence overall performance. The insights gathered from the questionnaire can guide strategic decisions to enhance growth and operational effectiveness.

# QUE 10 (PYP MAY 22/RTP MAY 18/RTP MAY 22)

'A network structure is suited to unstable environment.' Elaborate.

Or

Due to reoccurrence of various variants of Corona virus, LMN Ltd., is facing unstable environment and it has started unbundling and disintegrating its activities. Identify the organization structure LMN Ltd, is shifting to. Under what circumstances this structure becomes useful?

## ANSWER:

1. LMN Ltd is Shifting to Network structure.
2. The Network Organization is a series of independent Firms or business units linked together by computers in an information system that designs, produces, and markets a product or service.
3. It is called a "virtual organization", because it is composed of a series of project groups or collaborations linked by constantly changing non-hierarchical, cobweb-like networks.
4. Instead of having salaried employees, the Firm may contract with people for a specific project or length of time. Long-term contracts with Suppliers and Distributors replace services that the Company could provide for itself through vertical integration.
5. Instead of being located in a single building or area, the Firm's business functions are scattered worldwide. The Firm is, in effect, only a shell, with a small Headquarters acting as a "Broker", electronically connected to some fully-owned Divisions, partly-owned Subsidiaries, and other independent Companies.
6. The network structure becomes most useful when the environment of a firm is unstable & When the Company wants to focus on its distinctive competencies.

# QUE 11 (PYP MAY 23)

Ramesh and Suresh own software development firms ACS Ltd. and BDS Ltd. Ramesh and Suresh pitch their business in international markets and win international contracts. Ramesh has fifty software engineers in his team. Suresh, on the other hand, leads a team of forty software engineers. Every project has a specific and fixed timeline. Individual projects are assigned to project heads by Ramesh and Suresh.

Ramesh adheres to strict rules and procedures. He met with the Project heads to get an update but exchanged ideas occasionally. He set a weekly target of forty hours to complete the assigned goal or task. The group that met the deadline and complete the task received a 10% bonus. The group that was unable to meet the deadline was penalized. The group that did not meet the deadline was penalized with unpaid extra working hours to complete the Task.

Suresh, unlike Ramesh, did not prioritise a structured approach to work. Suresh inspired the project managers by making them feel like leaders rather than just participants.

Suresh's empowering attitude helped to align individual goals with group Goals. Ramesh established routines to maximize his team efficiency. Suresh, on the other hand, used positive reinforcement to maximize his team efficiency.

- a) identify the leadership style employed by Ramesh and Suresh.
- b) What are the conditions/situations that make such leadership styles more appropriate?
- c) Discuss the characteristics of the leadership styles.

## ANSWER:

- a) Ramesh adopted **transactional leadership style**, while Suresh adopted **transformational leadership style**.
- b) Transactional leadership style can be appropriate in settled and static environment, in growing or mature industries and in organizations that are performing well. Transformational leadership style may be appropriate in turbulent environment, in industries at the very start or end of their life cycles, in poorly performing organizations when there is a need to inspire a company to embrace major changes.
- c) Transactional leadership style uses the authority of its office to exchange rewards such as pay, status symbols etc. Transactional leaders prefer a more formalized approach to motivation, setting clear goals with explicit rewards or penalties for achievement and non-achievement. Transactional leaders focus mainly to build on existing culture and enhance current practices. Transformational leadership style uses charisma and enthusiasm to inspire people to exert them for the good of organization. Transformational leaders inspire employees by offering excitement, vision, intellectual stimulation and personal satisfaction.

## QUE 12 (PYP DEC 21/MTP MAY 24 S2)

A Chennai based fast moving consumer goods (FMCG) major CDE Ltd. recently announced restricting its business. The company indicated that the business would be split into mainly four different streams- FMCG, E-commerce, Retail and Research & Development. The company management has decided that these four units will operate as separate business. The top corporate officers shall delegate responsibility for day- today operations and business unit strategy to the concerned structure.

Identify the organization structure that CDE Ltd. has planned to implement. Discuss any four attributes and the benefits the firm may derive by using this organization structure.

Or

A Mumbai-based conglomerate, PQR Ltd., has announced a major restructuring of its business operations. The company has decided to split its business into four separate units: Manufacturing, Retail, Services, and Technology. Each unit will operate as a separate business, with delegated responsibility for day-to-day operations and strategy to the respective unit managers. Identify the organization structure that PQR Ltd. has planned to implement. Discuss any four attributes and the benefits the firm may derive by using this organization structure.

## ANSWER:

1. CDE Ltd. has planned to implement Strategic Business Unit (SBU) structure.
2. Very large organisations, particularly those running into several products, or operating at distant geographical locations that are extremely diverse in terms of environmental factors, can be better managed by creating strategic business units. SBU structure becomes imperative in an organisation with increase in number, size and diversity.
3. The attributes of an SBU and the benefits a firm may derive by using the SBU Structure are as follows:
  - i. A scientific method of grouping the businesses of a multi - business corporation which helps the firm in strategic planning.
  - ii. An improvement over the territorial grouping of businesses and strategic planning based on territorial units.
  - iii. Strategic planning for SBU is distinct from rest of businesses. Products/ businesses within an SBU receive same strategic planning treatment and priorities.
  - iv. Each SBU will have its own distinct set of competitors and its own distinct strategy.
  - v. The CEO of SBU will be responsible for strategic planning for SBU and its profit performance.
  - vi. Products/businesses that are related from the stand point of function are assembled together as a distinct SBU.
  - vii. Unrelated products/ businesses in any group are separated into separate SBUs.
  - viii. Grouping the businesses on SBU lines helps in strategic planning by removing the vagueness and confusion.
  - ix. Each SBU is a separate business and will be distinct from one another on the basis of mission, objectives etc.

# QUE 13 (PYP NOV 18/PYP MAY 23/RTP NOV 21/MTP MAY 22 S1)

Connect Group was one of the leading makers of the mobile handsets till a few years ago and which went at the bottom of the heap. Connect Group didn't adapt to the current market trends which eventually lead to its downfall. Which would have helped Connect Group to change, adapt and survive? Explain the steps to initiate the change.

Or

Specify the steps that are needed to introduce strategic change in an organization.

Or

Changes in environmental forces often require businesses to make modifications in their existing strategies. In view of the same, explain the areas to be focused while considering concept of Strategic change. Also explain the steps to initiate Strategic change process.

Or

Write a short note on strategic change and explain the process of strategic change.

## ANSWER:

1. Connect Group has to do **strategic change** for its survival. The changes in the environmental forces often require businesses to make modifications in their existing strategies and bring out new strategies.
2. Strategic change is a complex process that involves a corporate strategy focused on new markets, products, services and new ways of doing business.
3. Unless companies embrace change, they are likely to be freeze and unless companies prepare to deal with sudden, unpredictable, discontinuous, and radical change, they are likely to be extinct.
4. Three steps for initiating strategic change are:
  - i. **Recognise the need for change**  
Identify the areas where change is required, in view of changing environmental scenario , Evaluate both internal and external Capabilities through SWOT Analysis , Prepare a checklist of areas where scope for changes exists
  - ii. **Shared Vision to manage change**  
Take steps to avoid conflicts between Individual and Organizational Objectives ,Create a "Shared Vision" and communicate it to all Organizational members , Obtain the willing support and cooperation of Organizational Members to implement the new strategic initiatives and associated changes.
  - iii. **Institutionalise the change**  
Establish a scheme of Rewards and Incentives for adhering to the changed ways/ initiatives , Monitor and review the after-effects of change implementation , Communicate deviations to the concerned persons, so that corrective actions can be taken.

## QUE 14 (PYP MAY 22)

XYZ Ltd., is an automobile company that offers diversified products for all customer segments. Due to COVID 19, the changes took place in the economy forced the company to change its strategy. Being the CEO of company, what stages will you follow for developing & executing the new strategy?

## ANSWER:

1. XYZ Ltd. is an automobile company that offers diversified products for all customer segments. The company has already in existence, so it has its own vision, mission and a strategy to execute for achieving its vision.
2. While developing and executing the strategy, XYZ Ltd. might have followed the five-stage managerial process as given below:
  - i. Developing a strategic vision.
  - ii. Environmental and organisational analysis.
  - iii. Formulation of strategy.
  - iv. Implementing and executing the strategy.
  - v. Strategic evaluation and control.
3. But due to COVID-19, the automobile industry has faced the lockdown situation. Changes in the economy forced the XYZ Ltd. to change its existing strategy and prepare the new strategy. The changes in the environmental forces due to COVID-19 requires XYZ Ltd. to make modifications in their existing strategies and bring out new strategies.
4. **For initiating strategic change, three steps can be followed by the CEO of the company which are as under:**
  - i. **Recognize the need for change:** This is the first step to diagnose facets of the corporate culture that are strategy supportive or not. This has already identified by the XYZ Ltd.
  - ii. **Create a shared vision to manage change:** Objectives and vision of both individuals and organization should coincide. The CEO of XYZ Ltd. need to constantly and consistently communicate the vision not only to inform but also to overcome resistance.
  - iii. **Institutionalize the change:** Creating and sustaining a different attitude towards change is essential to ensure that the XYZ Ltd. does not slip back into old ways of thinking or doing things. All these changes should be set up as a practice to be followed by the company and be able to transfer from one level to another as a well settled practice.

## QUE 15 (RTP NOV 19)

Jupiter Electronics Ltd. is known for its ability to come out with path-breaking products. Though the work environment at Jupiter's is relaxed and casual, yet, there is a very strong commitment to deadlines. The employees believe in "work hard play hard" ethic. The organisation has moved away from formal and hierarchical set up to a more results-driven approach. Employees are committed to strategies and work towards achieving them. They guard innovations, maintain confidentiality and secrecy in their working. They are closely related to values, practices, and norms of organisations

What aspects of an organization that are being discussed? Explain.

## ANSWER:

1. The scenario being referred to is **culture** in Jupiter Electronics.
2. Strong culture promotes good strategy execution when there's fit and impels execution when there's negligible fit.
3. A culture grounded in values, practices, and behavioural norms that match what is needed for good strategy execution helps energize people throughout the organization to do their jobs in a strategy-supportive manner. A culture built around such business principles as listening to customers, encouraging employees to take pride in their work, and giving employees a high degree of decision-making responsibility. This is very conducive to successful execution of a strategy of delivering superior customer service.
4. A strong strategy-supportive culture makes employees feel genuinely better about their jobs and work environment and the merits of what the company is trying to accomplish. Employees are stimulated to take on the challenge of realizing the organizational vision, do their jobs competently and with enthusiasm, and collaborate with others.

# QUE 16 (RTP NOV 20/RTP MAY 23/ MTP MAY 21 S1 )

What steps would you suggest to change a company's problem culture?

Or

You are appointed as a manager of a company where you find that the company's culture is out of sync with what is needed for strategic success. Discuss steps you would initiate to tackle the problem.

Or

How can management communicate that it is committed to creating a new culture assuming that the old culture was problematic and not aligned with the company strategy?

## ANSWER:

### **Steps to Change Company's Problem Culture**

1. Diagnose which facets of the present culture are strategy supportive and which are not.
2. Talk openly and forthrightly to all concerned about those aspects of the culture that have to be changed.
3. Follow-up with visible, aggressive actions to modify the culture-actions that everyone will understand are intended to establish a new culture more in tune with the strategy.
4. Revising policies and procedures in ways that will help drive cultural change.
5. Alter incentive compensation to reward the desired cultural behaviour,
6. Visibly praise and recognize people who display the new cultural traits,
7. Recruit and hire new managers and employees who have the desired cultural values and can serve as role models for the desired cultural behaviour, replacing key executives who are strongly associated with the old culture,
8. Communicate to employees the basis for cultural change and its benefits to all concerned.
9. Enlist the support of First Line Supervisors and Employee Opinion Leaders, convincing them of the merits of practicing and enforcing cultural norms at the lowest levels in the organization.

# QUE 17 (RTP NOV 21/MTP MAY 23 S1/RTP MAY 19/MTP MAY 19 S2/MTP NOV 21 S1)

Bunch Pvt Ltd is dealing in multiproduct like electronics and FMCG and are having outlets in different cities and markets across India. Due to scale of operation, it is having technical difficulty in dealing with distinct product line and markets especially in coordination and control related problems. Identify and suggest an ideal organizational structure for Bunch Pvt Ltd in resolving the problem?

Or

Discuss the concept of Multi Divisional Structure.

Or

ABC Pvt Ltd is dealing in multiproduct like electronics and FMCG and are having outlets in different cities and markets across India. Due to scale of operation, it is having technical difficulty in dealing with distinct product line and Markets especially in coordination and control related problems. Which of following technique which was introduced in 1920 can be used to resolve the problem?

## ANSWER:

1. To deal with the problems facing by the Bunch Pvt Ltd., we suggest Multi divisional structure for the organisation.
2. Multidivisional (M-form) structure is composed of operating divisions where each division represents a separate business to which the top corporate officer delegates responsibility for day-to-day operations and business unit strategy to division managers. By such delegation, the corporate office is responsible for formulating and implementing overall corporate strategy and manages divisions through strategic and financial controls.
3. Multidivisional or M-form structure was developed in the 1920s, in response to coordination and control-related problems in large firms. Functional departments often had difficulty dealing with distinct product lines and markets, especially in coordinating conflicting priorities among the products. Costs were not allocated to individual products, so it was not possible to assess an individual product's profit contribution. Loss of control meant that optimal allocation of firm resources between products was difficult (if not impossible). Top managers became over-involved in solving short-run problems (such as coordination, communications, conflict resolution) and neglected long-term strategic issues.
4. Multidivisional structure calls for:
  - a) Creating separate divisions, each representing a distinct business
  - b) Each division would house its functional hierarchy;
  - c) Division managers would be given responsibility for managing day-to-day operations;
  - d) A small corporate office that would determine the long-term strategic direction of the firm and exercise overall financial control over the semi-autonomous divisions.

## QUE 18 (RTP NOV 22)

"Samar Electronics Limited" is engaged in manufacturing and sale of consumer electronic goods globally. The company is rated 'best' in "customer satisfaction survey" for 5 years in a row. The spread of the current pandemic has affected the internal and external environment of the company adversely. Such adverse impact has negatively impacted the revenue of the company. In order to survive and retain the business, the company decided to outsource a major part of its organisational activities, like manufacturing, distribution channels, after sales service etc. Now the organisation's business functions are scattered worldwide with a small headquarter connected to independent business units digitally.

What type of organizational structure is the company transitioning into? List the basic features of this new structure and the disadvantages that the company may face in future in this new structural arrangement.

## ANSWER:

1. Samar Electronics Limited transitioning into **network structure**.
2. It is termed as "non-structure" as it eliminates in house functions and outsources many of them.
3. An organisation organised in this manner is often called "virtual organisation" because it is composed of a series of project groups or collaborations linked by constantly changing non- hierarchical, cob-web like structures.
4. Network structures become most useful when the environment of a firm is unstable and is expected to remain so. Under such conditions, there is usually a strong need for innovation and quick response.
5. Instead of having salaried employees, the Firm may contract with people for a specific project or length of time. Long-term contracts with Suppliers and Distributors replace services that the Company could provide for itself through vertical integration.
6. Instead of being located in a single building or area, the Firm's business functions are scattered worldwide. The Firm is, in effect, only a shell, with a small Headquarters acting as a "Broker", electronically connected to some fully-owned Divisions, partly-owned Subsidiaries, and other independent Companies.
7. Network structure does have following disadvantages that the company may face in future:
  - a) Availability of numerous potential partners can be a source of trouble.
  - b) Contracting out functions to separate Suppliers / Distributors may keep the Firm from discovering any synergies by combining activities.
  - c) If a Firm over-specialises on only a few functions, it runs the risk of choosing the wrong functions and thus becoming non-competitive.

## QUE 19 (RTP MAY 23)

Anshuman was a CEO at a struggling company. Despite the challenges, he believed in the potential of his team and was determined to turn the company around. He started by communicating his vision to his employees. He encouraged them to think outside the box, take risks and be creative. He also invested in training programs to help employees develop new skills. He regularly recognized and rewarded employees for their hard work, which increased their job satisfaction and commitment. As a result, the company began to see positive changes.

Identify and discuss the leadership style adopted by Anshuman?

## ANSWER:

1. Being a CEO of a struggling company, **Anshuman** has adopted **Transformational leadership style**.
2. **Features of Transformational Leadership Style**
  - a) Transformational leadership style uses charisma and enthusiasm to inspire people to exert them for the good of the organization.
  - b) Transformational leadership style may be appropriate in turbulent environments, in industries at the very start or end of their life-cycles, in poorly performing organizations when there is a need to inspire a company to embrace major changes.
  - c) Transformational leaders offer excitement, vision, intellectual stimulation and personal satisfaction. They inspire involvement in a mission, giving followers a 'dream' or 'vision' of a higher calling so as to elicit more dramatic changes in organizational performance.
  - d) Transformational leadership motivates followers to do more than originally affected to do by stretching their abilities and increasing their self-confidence, and also promote innovation throughout the organization.
3. Anshuman believed in the potential of his team. He started by communicating his vision to his employees. He encouraged them to think outside the box, take risks and be creative. He also invested in training programs to help employees develop new skills. He regularly recognized and rewarded employees for their hard work, which increased their job satisfaction and commitment.

## ANSWER:

1. **Ramesh is a follower of Transactional leadership style.**

### **2. Features of Transactional Leadership Style**

- a) Transactional leadership style focuses more on designing systems and controlling the organization's activities and are more likely to be associated with improving the current situation.
- b) Transactional leaders try to build on the existing culture and enhance current practices.
- c) Transactional leadership style uses the authority of its office to exchange rewards.
- d) They prefer a more formalized approach to motivation, setting clear goals with explicit rewards or penalties for achievement or non-achievement.
- e) Transactional leadership style may be appropriate in static environment, in mature industries, and in organizations that are performing well.
- f) The style is better suited in persuading people to work efficiently and run operations smoothly.

3. **Yashpal is follower of Transformational leadership style.**

### **4. Features of Transformational Leadership Style**

- a) Transformational leadership style uses charisma and enthusiasm to inspire people to exert them for the good of the organization.

- b) Transformational leadership style may be appropriate in turbulent environments, in industries at the very start or end of their life-cycles, in poorly performing organizations when there is a need to inspire a company to embrace major changes.
- c) Transformational leaders offer excitement, vision, intellectual stimulation and personal satisfaction. They inspire involvement in a mission, giving followers a 'dream' or 'vision' of a higher calling so as to elicit more dramatic changes in organizational performance.
- d) Transformational leadership motivates followers to do more than originally affected to do by stretching their abilities and increasing their self-confidence, and also promote innovation throughout the organization.

## QUE 20 (RTP MAY 24)

York Investors, recognizing the importance of aligning its organizational elements with strategic objectives, has strategically invested in training programs, technology, and communication systems. The company aims to enhance the skills and capabilities of its workforce through comprehensive training initiatives. Simultaneously, York Investors leverages cutting-edge technology to streamline its operations and improve overall efficiency. The investment in communication systems ensures seamless collaboration and information flow across various departments.

Identify and explain the model used by York Investors to achieve its strategic objectives.

## ANSWER:

York Investors is employing the **McKinsey 7S Model** to achieve its strategic objectives. The model focuses on seven interdependent elements within an organization, categorized into "Hard Ss" and "Soft Ss."

### In this case:

1. **Strategy (Hard S):** Investing in training programs and technology aligns with the strategic objective of enhancing workforce skills and operational efficiency.
2. **Structure (Hard S):** The investment suggests a structural alignment to support the strategic initiatives, indicating a deliberate organization of resources.
3. **Systems (Hard S):** The use of cutting-edge technology and communication systems reflects a commitment to optimizing daily tasks and improving overall efficiency, addressing the system component of the model.
4. **Shared Values (Soft S):** The emphasis on comprehensive training initiatives indicates a commitment to shared values, reflecting a focus on developing a skilled and capable workforce.
5. **Style (Soft S):** The leadership style is implied in the strategic decision to invest in technology and training for workforce development and operational efficiency.
6. **Staff (Soft S):** The commitment to enhancing skills and capabilities reflects a focus on the talent pool within the organization.
7. **Skills (Soft S):** The strategic investment in training programs directly addresses the development of key skills within the workforce.

York Investors' approach demonstrates a holistic application of the McKinsey 7S Model, emphasizing the interconnectedness of both hard and soft elements to achieve strategic alignment and organizational effectiveness.

## QUE 21 (RTP MAY 22)

Glassware Ltd. is about to go through a significant restructuring. The strategic change involves moving from a decentralized to a centralized structure. This will help Glassware avoid duplication of support activities and lower its costs.

The management have held the first staff briefing in which they went to great lengths to explain that the change was necessary to equip the company to face future competitive challenges. Identify and explain the current stage of Glassware Ltd. from the Lewin's three-stage model of change?

## ANSWER:

1. Glassware Ltd. is currently in the 'unfreezing' stage, where management is attempting to explain the need for change in an attempt to maximize buy-in by employees and reduce the amount of resistance.
2. Unfreezing the situation: The process of unfreezing simply makes the individuals aware of the necessity for change and prepares them for such a change. Lewin proposes that the changes should not come as a surprise to the members of the organization. Sudden and unannounced change would be socially destructive and morale lowering. The management must pave the way for the change by first "unfreezing the situation", so that members would be willing and ready to accept the change.
3. Unfreezing is the process of breaking down the old attitudes and behaviours, customs and traditions so that they start with a clean slate.
4. This can be achieved by making announcements, holding meetings and promoting the new ideas throughout the organization.

## QUE 22 (RTP NOV 23/MTP NOV 22/ MTP NOV 22 S1)

ABC Ltd. is a shoe manufacturing company. The strategic manager of ABC Ltd. is Ms. Suman. Ms. Suman hired the best designers she could find online for her ethnic shoe brand but later she found that the designers were better at leather designs. Identify and explain linkage in the given situation as she had to change her strategy on the basis of the actual resources she had?

## ANSWER:

1. The strategy formulation and strategy implementation are intertwined and linked with each other. Two types of linkages exist between these two phases of strategic management. The forward linkages deal with the impact of strategy formulation on strategy implementation while the backward linkages are concerned with the impact of strategy implementation on strategy formulation.
2. In the given situation Ms. Suman has to follow **Backward Linkages** as she had to change her strategy on the basis of the actual resources she had.
3. While dealing with strategic choice, remember that past strategic actions also determine the choice of strategy. Organizations tend to adopt those strategies which can be implemented with the help of the present structure of resources combined with some additional efforts. Such incremental changes, over a period of time, take the organization from where it is to where it wishes to be

## QUE 23 (MTP MAY 24 S1)

Imagine you are a consultant advising a small manufacturing company embarking on a digital transformation journey. The company's leadership is concerned about managing the change effectively. Using the best practices for managing change in small and medium-sized businesses, outline a strategy to help the company navigate this transformation successfully.

## ANSWER:

To help the small manufacturing company navigate its digital transformation successfully, we would recommend the following strategy:

### 1. Begin at the top

- a) A focused, invested, united leadership that is on the same page about the company's future is reflected in change that begins at the top.
- b) The culture that will motivate the rest of the organisation to accept change can only be generated and promoted in this way.

### 2. Ensure that the change is both necessary and desired

- a) The fact that decision-makers are unaware of how to properly handle a digital transformation and the effects it will have on their firm, It is Must to ensure that change is both necessary and desired.
- b) If a corporation doesn't have a sound strategy in place, introducing too much too fast can frequently become a major issue down the road.

### 3. Reduce disruption

- a) Employee perceptions of what is required or desirable change can differ by department, rank, or performance history.
- b) It's crucial to lessen how changes affect staff.
- c) The introduction of new tactics or technologies intended to improve management and corporate operations causes employee concern about change.
- d) It is possible to reduce workplace disruption by:

- i. Getting the word out early and preparing for some interruption.
- ii. Giving staff members the knowledge and tools, they need to adjust to change.
- iii. Creating an environment that encourages transformation or change.
- iv. Empowering change agents to provide context and clarity for changes, such as project managers or team leaders.
- v. Ensuring that IT department is informed of changes in technology or infrastructure and is prepared to support them

#### **4. Encourage communication**

- a) Create channels so that workers may contact you with queries or complaints.
- b) Encourage departmental collaboration to propagate ideas and innovations as new procedures take root.
- c) Communication promotes efficiency and has the power to influence culture, just like your vision.
- d) The people who will be affected the most by these changes are reassured that they are not in danger through effective communication, which keeps everyone on the same page.

#### **5. Recognize that change is the norm, not the exception**

- a) Change readiness may be defined as "the ability to continuously initiate and respond to change in ways that create advantage, minimize risk, and sustain performance."
- b) In order to keep up with the customers, businesses must also adapt their operations. They must prepare for change in advance and expect them. It may run into difficulties because change is not a project but rather an ongoing process.

## QUE 24 (MTP MAY 19 S2)

Rohit Bhargava is the Managing Director of Smooth and Simple Pvt Ltd. The company established in 2011, with 35 employees grew very fast to become an organisation with 335 employees in the year 2016. With the increase in size Rohit started facing difficulty in managing things.

Many a times he finds that personnel at the functional level are not in sync with the strategies of the top. He felt that strategies need to be segregated into viable plans and policies that are compatible with each other and communicated down the line.

Why does Rohit need to segregate the strategies into functional plans? Discuss.

## ANSWER:

Rohit Bhargava needs to break higher level strategies into functional strategies for implementation. These functional strategies, in form of Marketing, Finance, Human Resource, Production, Research and Development help in achieving the organisational objective.

### The reasons why functional strategies are needed can be enumerated as follows:

- a) Functional strategies lay down clearly what is to be done at the functional level. They provide a sense of direction to the functional staff.
- b) They are aimed at facilitating the implementation of corporate strategies and the business strategies formulation at the business level.
- c) They act as basis for controlling activities in the different functional areas of business.
- d) They help in bringing harmony and coordination as they are formulated to achieve major strategies.

## QUE 25 (MTP MAY 19 S2)

HQ is a service company. Two years back, the company hired a reputed management consultant to formulate its strategy. The consultant recommended an aggressive expansion plan. Now, in an internal review of the company, it finds that many of the suggestions are not even fully considered.

Which part of strategic management process is missing in HQ?

## ANSWER:

1. **Strategy implementation** is missing in HQ.
2. Implementation is the managerial exercise of putting a chosen strategy into action.
3. It deals with the managerial exercise of supervising the ongoing pursuit of strategy, making it work, improving the competence with which it is executed and showing measurable progress in achieving the targeted results.
4. Strategic implementation is concerned with translating a strategic decision into action, which presupposes that the decision itself (i.e., the strategic choice) was made with some thought being given to feasibility and acceptability.
5. The allocation of resources to new courses of action will need to be undertaken, and there may be a need for adapting the organization's structure to handle new activities as well as training personnel and devising appropriate systems.
6. It is crucial to realize the difference between the formulation and implementation because they both require very different skills. Also, a company will be successful only when the strategy formulation is sound and implementation is excellent.

## QUE 26 (MTP MAY 20 S1)

Dr. Raman has been running a nursing home for about twenty-two years now, and has gained enormous name for his benevolence in Balram district of Chhattisgarh. Recently, his daughter, Dr. Radhika completed her medicine degree from the United States of America and returned to her hometown to be a part of her father's practice. She has been given the baton to promote modern medicine and retain the local skilled youth in their practice. However, their nursing home's skilled youth has been more inclined to E-Commerce employment opportunities. Dr. Radhika has taken it as a challenge to imbibe the very essence of service in them, by being employed as nurses and caretakers of the ill. This shall be very crucial in growing the practice as desired.

Which of the following phases of Kurt Lewin's Model of Change will be most challenging for Dr. Radhika to strategically positioning her father's nursing home?

## ANSWER:

1. Kurt Lewin's Model of Change proposes three phases of change process to make the change lasting. They are Compliance, Identification and Internalization.
2. For Dr. Radhika, Compliance and Identification will not a big challenge, as her father has been one of the most sought-after personalities serving the ill in their district. And her return from the USA to serve her country, especially her district, will help the workforce identify her as a role model and there would actually be no need for compliance, i.e., Reward and Punishment for bringing about a change.
3. However, the new lucrative E-Commerce employment opportunities will have to be fought through Internalization, i.e., internal changing of the individual's thought process, to give them freedom to learn and succeed. Thus, Internalization will be the most challenging phase.

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**Descriptive Qs.**  
**(SM,PYP,RTP,MTP)**

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**QUE 27 (SM/PYP NOV 19/RTP MAY 18/RTP NOV 20/RTP NOV 21 /MTP  
NOV 21 S1/MTP NOV 22 S1)**

Distinguish between transformational leadership style and transactional leadership style.

Or

How can you differentiate between transformational and transactional leaders?

## ANSWER:

1. Transformational leadership style uses charisma and enthusiasm to inspire people to exert them for the good of organization. Transactional leadership style uses the authority of its office to exchange rewards such as pay, status symbols etc.
2. Transformational leadership style may be appropriate in turbulent environment, in industries at the very start or end of their cycles, poorly performing organizations, when there is a need to inspire a company to embrace major changes. Transactional leadership style can be appropriate in static environment, in growing or mature industries and in organizations that are performing well.
3. Transformational leaders inspire employees by offering excitement, vision, intellectual stimulation and personal satisfaction. Transactional leaders prefer a more formalized approach to motivation, setting clear goals with explicit rewards or penalties for achievement and non-achievement.
4. Transformational Leader build Up new Culture & inspire involvement in a mission, giving followers a 'dream' or 'vision' of a higher calling so as to elicit more dramatic changes in organizational performance. Transactional leaders focus mainly to build on existing culture and enhance current practices.

# QUE 28 (SM/RTP MAY 18/MTP MAY 18 S1)

What is strategic change? Explain the change process proposed by Kurt Lewin that can be useful in implementing strategies?

## ANSWER:

The changes in the environmental forces often require businesses to make modifications in their existing strategies and bring out new strategies. Strategic change is a complex process and it involves a corporate strategy focused on new markets, products, services and new ways of doing business.

To make the change lasting, Kurt Lewin proposed three phases of the change process for moving the organization from the present to the future.

These stages are unfreezing, changing and refreezing.

- 1) Unfreezing the situation: The process of unfreezing simply makes the individuals or organizations aware of the necessity for change and prepares them for such a change. Lewin proposes that the changes should not come as a surprise to the members of the organization. Sudden and unannounced change would be socially destructive and morale lowering. The management must pave the way for the change by first "unfreezing the situation", so that members would be willing and ready to accept the change. Unfreezing is the process of breaking down the old attitudes and behaviours, customs and traditions so that they start with a clean slate. This can be achieved by making announcements, holding meetings and promoting the ideas throughout the organization.
- 2) Changing to New situation: Once the unfreezing process has been completed and the members of the organization recognize the need for change and have been fully prepared to accept such change, their behaviour patterns need to be redefined. H.C. Kellman proposed three methods for reassigning new patterns of behavior as compliance, identification and internalisation.
- 3) Refreezing: Refreezing occurs when the new behaviour becomes a normal way of life. The new behaviour must replace the former behaviour completely for successful and permanent change to take place. In order for the new behaviour to become permanent, it must be continuously reinforced so that this newly acquired behaviour does not diminish or extinguish.

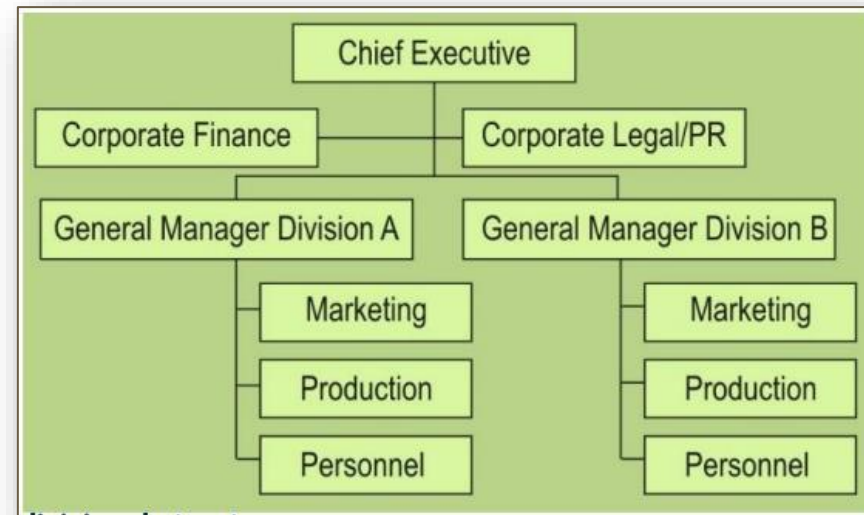
Change process is not a one-time application but a continuous process due to dynamism and ever-changing environment. The process of unfreezing, changing and refreezing is a cyclical one and remains continuously in action.

## QUE 29 (SM/PYP NOV 20)

Draw 'Divisional Structure' with the help of a diagram. Also, give advantages and disadvantages of this structure in brief.

## ANSWER:

Divisional structure is that organizational structure which is based on extensive delegation of authority and built on division basis. The divisional structure can be organized in one of the four ways: by geographic area, by product or service, by customer, or by process. With a divisional structure, functional activities are performed both centrally and in each division separately.



## Advantages of Divisional Structure

1. **Promotes accountability** since Division Managers can be held responsible for sales and profit levels.
2. **Employee Morale** is comparatively higher in a Divisional Structure than in a centralized structure.
3. **Career Development** opportunities for Managers, since it permits people to develop total expertise in a certain product / area/process, etc.
4. Allows better **control** of local situations.
5. Leads to a **competitive climate** within the Firm, and
6. Allows **new businesses and products** to be added easily.

## Disadvantages of Divisional Structure

1. Each Division requires **Functional Specialists** or Experts in that product / area / market.
2. **Duplication** of staff services, facilities, and personnel, since certain activities are performed centrally and in each divisions.
3. Requires an elaborate, headquarters - driven **control system**, which may be costly.
4. Certain regions, products, or customers may receive special treatment and develop **inconsistent** traits / practices when compared to the Company's overall policy.

# QUE 30 (SM/PYP NOV 22/MTP MAY 20 S1/ /RTP MAY 20/RTP MAY 22/RTP NOV 22)

What is a strategic business unit? What are its advantages?

Or

How the 'Strategic Business Unit (SBU), structure becomes imperative in an organization with increase in number, size and diversity of divisions?

## ANSWER:

1. SBU is a part of a large business organization that is treated separately for strategic management purposes. The concept of SBU is helpful in creating an SBU organizational structure. It is separate part of large business serving product markets with readily identifiable competitors. It is created by adding another level of management in a divisional structure after the divisions have been grouped under a divisional top management authority based on the common strategic interests.
2. Very large organisations, particularly those running into several products, or operating at distant geographical locations that are extremely diverse in terms of environmental factors, can be better managed by creating strategic business units.
3. SBU structure becomes imperative in an organisation with increase in number, size and diversity.
4. **Advantages of SBU are:**
  - i. Establishing coordination between divisions having common strategic interests.
  - ii. Facilitates strategic management and control on large and diverse organizations.
  - iii. Fixes accountabilities at the level of distinct business units.
  - iv. Allows strategic planning to be done at the most relevant level within the total enterprise.
  - v. Makes the task of strategic review by top executives more objective and more effective.
  - vi. Helps allocate corporate resources to areas with greatest growth opportunities.

# **QUE 31 (SM/RTP NOV 18/MTP NOV 22 S1/ MTP NOV 23 S1/MTP MAY 19 S2)**

Distinguish between Operational Control and Management Control.

## ANSWER:

### Differences between Operational Control and Management Control are as under:

1. The thrust of operational control is on individual tasks or transactions as against total or more aggregative management functions. When compared with operational, management control is more inclusive and more aggregative, in the sense of embracing the integrated activities of a complete department, division or even entire organization, instead of mere narrowly circumscribed activities of sub-units.
2. For example, procuring specific items for inventory is a matter of operational control, in contrast to inventory management as a whole.
3. Many of the control systems in organizations are operational and mechanistic in nature. On the other hand, the basic purpose of management control is the achievement of enterprise goals - short range and long range - in an effective and efficient manner.

# QUE 32 (PYP MAY 19/MTP NOV 21 S1/MTP MAY 23 S1)

Is strategy formulation an intellectual process? How is it different from strategy implementation?

Or

Distinguish between Strategy Formulation and Strategy Implementation.

## ANSWER:

Yes, strategy formulation is primarily an intellectual process. It is based on strategic decision-making which requires analysis and thinking. Although inextricably linked, strategy implementation is fundamentally different from strategy formulation in the following ways:

STRATEGY FORMULATION	STRATEGY IMPLEMENTATION
Strategy Formulation includes planning and decision-making involved in developing organization's strategic goals and plans.	Strategy Implementation involves all those means related to executing the strategic plans.
In short, Strategy Formulation is placing the Forces before the action.	In short, Strategy Implementation is managing forces during the action.
An Entrepreneurial Activity based on strategic decision-making.	An Administrative Task based on strategic and operational decisions.
Emphasizes on effectiveness.	Emphasizes on efficiency.
Primarily an intellectual and rational process.	Primarily an operational process.
Requires co-ordination among few individuals at the top level.	Requires co-ordination among many individuals at the middle and lower levels.
Requires a great deal of initiative, logical skills, conceptual intuitive and analytical skills.	Requires specific motivational and leadership traits.
Strategic Formulation precedes Strategy Implementation	Strategy Implementation follows Strategy Formulation.

## QUE 33 (PYP MAY 18/PYP MAY 23/ RTP MAY 21/RTP NOV 22/MTP NOV 23 S2)

What is strategic control? Briefly explain the different types of strategic control?

Or

“Strategic control focuses on implementation and results produced by the strategy” Explain Strategic control along with its different types.

## ANSWER:

1. **Strategic control** is the process of evaluating formulated and implemented strategy. It is directed towards identifying changes in the internal and external environments of the organization and making necessary adjustments accordingly.
2. Strategic Control focuses on the dual questions of whether:
  - a) the strategy is being implemented as planned; and
  - b) the results produced by the strategy are those intended.
3. **There are four types of strategic control:**
  - i. **Premise control:** A strategy is formed on the basis of certain assumptions or premises about the environment. Premise control is a tool for systematic and continuous monitoring of the environment to verify the validity and accuracy of the premises on which the strategy has been built.
  - ii. **Strategic surveillance:** Strategic surveillance is unfocussed. It involves general monitoring of various sources of information to uncover unanticipated information having a bearing on the organizational strategy.
  - iii. **Special alert control:** At times, unexpected events may force organizations to reconsider their strategy. Sudden changes in government, natural calamities, unexpected merger/acquisition by competitors, industrial disasters and other such events may trigger an immediate and intense review of strategy.
  - iv. **Implementation control:** Managers implement strategy by converting major plans into concrete, sequential actions that form incremental steps. Implementation control is directed towards assessing the need for changes in the overall strategy in the light of unfolding events and results.

## **QUE 34 (SM /RTP NOV 21 /RTP NOV 23/MTP MAY 18 S1 /MTP MAY 19 S1)**

What is implementation control? Discuss its basic forms.

## ANSWER:

1. Managers implement strategy by converting major plans into concrete, sequential actions that form incremental steps. Implementation control is directed towards assessing the need for changes in the overall strategy in light of unfolding events and results associated with incremental steps and actions.
2. Strategic implementation control is not a replacement to operational control. Unlike operational control, it continuously monitors the basic direction of the strategy.
3. The two basic forms of implementation control are:
  - i. **Monitoring strategic thrusts:** Monitoring strategic thrusts helps managers to determine whether the overall strategy is progressing as desired or whether there is need for readjustments.
  - ii. **Milestone Reviews:** All key activities necessary to implement strategy are segregated in terms of time, events or major resource allocation. It normally involves a complete reassessment of the strategy. It also assesses the need to continue or refocus the direction of an organization.

## QUE 35 (SM/PYP NOV 20)

What is strategic control? Kindly explain the statement that "premise control is a tool for systematic and continuous monitoring of the environment".

## ANSWER:

1. **Strategic control** is the process of evaluating formulated and implemented strategy. It is directed towards identifying changes in the internal and external environments of the organization and making necessary adjustments accordingly.
2. Strategic Control focuses on the dual questions of whether:
  - a) the strategy is being implemented as planned; and
  - b) the results produced by the strategy are those intended.
3. **Yes, Premise control** is a tool for systematic and continuous monitoring of the environment to verify the validity and accuracy of the premises on which the strategy has been built. It primarily involves monitoring two types of factors:
  - i. Environmental factors such as economic (inflation, liquidity, interest rates), technology, social and legal-regulatory.
  - ii. Industry factors such as competitors, suppliers, substitutes.
4. It is neither feasible nor desirable to control all types of premises in the same manner. Different premises may require different amount of control. Thus, managers are required to select those premises that are likely to change and would severely impact the functioning of the organization and its strategy.

## QUE 36 (PYP NOV 21)

Why is strategy evaluation more difficult? Give reasons.

## ANSWER:

Strategic evaluation involves measuring and evaluating performance. The goals achieved are compared with the desired goals to identify deviations and make necessary adjustments in strategies or in the efforts being put to achieve those strategies.

### Reasons why strategy evaluation is more difficult today include the following trends:

1. A dramatic increase in the environment's complexity.
2. The increasing difficulty of predicting the future with accuracy.
3. The increasing number of variables in the environment.
4. The rapid rate of obsolescence of even the best plans.
5. The increase in the number of both domestic and world events affecting organizations.
6. The decreasing time span for which planning can be done with any degree of certainty.

# QUE 37 (PYP MAY 24/RTP MAY 18/MTP NOV 18 S2)

Explain how organizations can effectively manage strategic uncertainties in a rapidly changing business environment.

## Answer

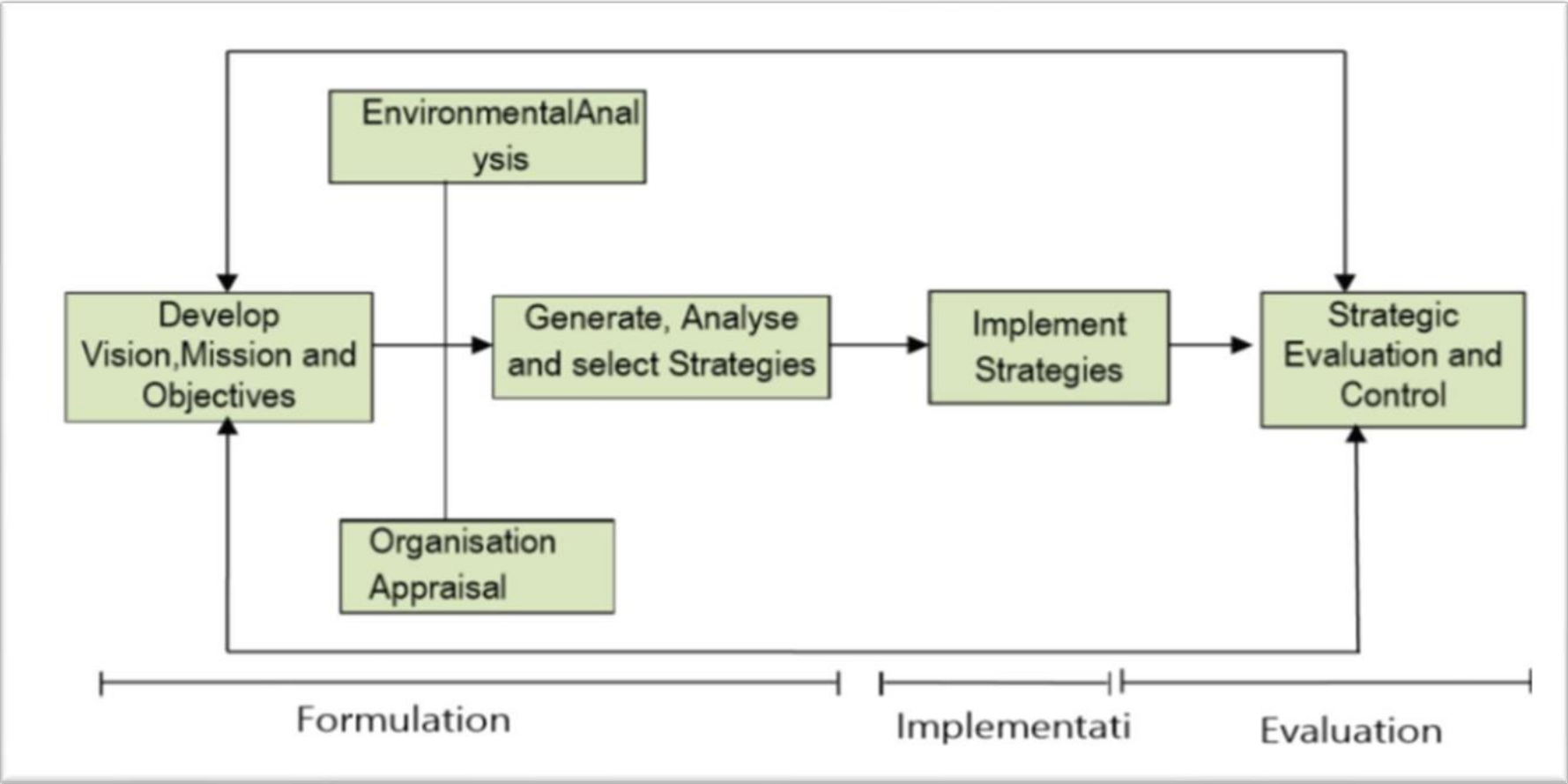
The Following are the ways organizations can effectively manage strategic uncertainties in a rapidly changing business environment.

1. **Flexibility** : Organizations can build flexibility into their strategies to quickly adapt to changes in the environment.
2. **Diversification** : Diversifying the organization's product portfolio, markets, and customer base can reduce the impact of strategic uncertainty.
3. **Monitoring and Scenario Planning** : Organizations can regularly monitor key indicators of change and conduct scenario planning to understand how different future scenarios might impact their strategies.
4. **Building Resilience** : Organizations can invest in building internal resilience, such as strengthening their operational processes, increasing their financial flexibility, and improving their risk management capabilities.
5. **Collaboration and Partnerships** : Collaborating with other organizations, suppliers, customers, and partners can help organizations pool resources, share risk, and gain access to new markets and technologies.

## QUE 38 (PYP NOV 18)

Present a diagrammatic representation of a Strategic Management model.

ANSWER:



## QUE 39 (PYP MAY 23)

Strategic planning is an important constituent of strategic management. In the light of the same, explain the meaning of Strategic planning. Also outline the characteristics of Strategic planning.

## ANSWER:

1. Yes, strategic planning is an important constituent of strategic management. It is a process of determining organizational strategy. It gives directions to the organization and involves making decisions and allocating resources to pursue the strategy. It is the formal blueprint of future course of an organization.
2. Strategic plans are made by the senior management for the entire organization after taking into account the organization strength and weaknesses in the light of opportunities and threats in the external environment. They involve acquisition and allocation of resources for the attainment of organizational objectives.
3. Following are the characteristics of strategic planning:
  - a) Strategic planning shapes the organisation and its resources.
  - b) Strategic planning assesses the impact of environmental variables.
  - c) Strategic planning takes a holistic view of the organisation.
  - d) Strategic planning develops overall objectives and strategies.
  - e) Strategic planning is concerned with the long-term success of the organisation.
  - f) Strategic planning is a senior management responsibility.

# **QUE 40 (PYP NOV 18/RTP NOV 18/MTP MAY 19 S1/MTP NOV 19 S2/MTP NOV 20 S1)**

Describe corporate culture. Elaborate the statement "Culture is a strength that can also be a weakness".

Or

What is corporate culture? How is it both strength and weakness of an organization?

## ANSWER:

1. Corporate culture distinguishes one organization from another. It refers to a company's values, beliefs, business principles, traditions, and ways of operating and internal work environment.
2. Every corporation has a culture that exerts powerful influences on the behaviour of managers. Culture affects not only the way managers behave within an organization but also the decisions they make about the organization's relationships with its environment and its strategy.
3. A culture grounded in values, practices, and behavioural norms that match what is needed for good strategy execution helps energize people throughout the company to do their jobs in a strategy-supportive manner, adding significantly to the power and effectiveness of strategy execution
4. Culture is both a strength and a weakness as follows:

**Culture as a strength:** As a strength, culture can facilitate communication, decision-making & control and create cooperation & commitment. An organization's culture could be strong and cohesive when it conducts its business according to a clear and explicit set of principles and values, which the management devotes considerable time to communicating to employees and which values are shared widely across the organization.

**Culture as a weakness:** As a weakness, culture may obstruct the smooth implementation of strategy by creating resistance to change. An organization's culture could be characterized as weak when many subcultures exist, few values and behavioral norms are shared and traditions are rare. In such organizations, employees do not have a sense of commitment and loyalty with the organization.

## QUE 41 (PYP MAY 22)

"Strategy formulation and strategy implementation are intertwined and linked with each other". Elucidate this statement with suitable arguments.

## ANSWER:

1. The strategy formulation and strategy implementation are intertwined and linked with each other. Two types of linkages exist between these two phases of strategic management. The forward linkages deal with the impact of strategy formulation on strategy implementation while the backward linkages are concerned with the impact in the opposite direction.
2. **Forward Linkages:** Forward linkages refer to the impact of strategy formulation on strategy implementation. When an organization formulates a new strategy or revises an existing one, it sets the direction for the organization's future actions.
3. For example, if a company decides to expand its product line to target a new market segment, this decision will require changes in the organization's structure, resources allocation, and possibly its leadership style. These changes are necessary to align the organization's operations with the new strategic direction. Thus, the formulation of strategies has forward linkages with their implementation, as it sets the stage for how the strategy will be executed.
4. **Backward Linkages:** Backward linkages, on the other hand, refer to the impact of Strategy implementation on strategy formulation. As an organization implements its strategies, it gains valuable insights and feedback from the implementation process. This feedback can influence future strategic decisions.
5. For example, if a company faces unexpected challenges or discovers new opportunities during the implementation of a strategy, it may need to reevaluate its strategic choices. Similarly, past strategic actions and their outcomes can also influence the formulation of future strategies. Over time, these incremental changes in strategy and implementation take the organization from its current state to where it aims to be, reflecting the dynamic nature of strategic management.
6. In conclusion, the forward and backward linkages between strategy formulation and implementation highlight the iterative and interconnected nature of strategic management. By understanding and leveraging these linkages, organizations can enhance their strategic decision-making process and improve their overall performance.

# QUE 42 (PYP JAN 21/RTP NOV 23)

Elucidate Matrix Structure.

## ANSWER:

1. A Matrix Structure is a combination of vertical and horizontal flows of authority and communication (hence the term Matrix).
2. Employees are attached to the 'Home' Department, (i.e. a Functional Department, which has personnel on a relatively permanent basis) report to their respective Functional Managers.
3. These Employees are assigned temporarily to one or more projects or project units, which are temporary. They report to the Project Manager, during the period of their assignment to that project.
4. Thus, Employees have two superiors - (i) Functional Manager (Vertical Flow) and (ii) Project or Product Manager (horizontal flow).

### **5. Advantages of Matrix Structure**

- a) Useful for specialised industries like Construction, Healthcare, Research and Defence.
- b) Project objectives are clear.
- c) Many channels of communication, and employees can see the visible results of their work.
- d) Shutting down a project is accomplished relatively easily.

## 6. Disadvantages of Matrix Structure

- a) Higher Employee Costs, due to more management positions.
- b) Complexity due to horizontal and vertical flows of authority and communication.
- c) Dual lines of authority, violating the "Unity of Command" principle.
- d) Dual reporting channels, leading to chaos and confusion.
- e) Sharing of authority, leading to conflicts between Managers.
- f) Conflicts in Resource Allocation decisions.

## **QUE 43 (RTP NOV 20)**

Discuss three methods for reassigning new patterns of behavior as proposed by H.C. Kellman.

## Answer:

H.C. Kellman has proposed three methods for reassigning new patterns of behaviour. These are compliance, identification and internalisation.

- a) **Compliance**: It is achieved by strictly enforcing the reward and punishment strategy for good or bad behaviour. Fear of punishment, actual punishment or actual reward seems to change behaviour for the better.
- b) **Identification**: Identification occurs when members are psychologically impressed upon to identify themselves with some given role models whose behaviour they would like to adopt and try to become like them.
- c) **Internalization**: Internalization involves some internal changing of the individual's thought processes in order to adjust to a new environment. They have given freedom to learn and adopt new behavior in order to succeed in the new set of circumstances.

# QUE 44 (RTP MAY 24)

Why is change management crucial during digital transformation, and what are some key strategies for navigating change effectively?

## ANSWER:

Change management is essential during digital transformation to ensure the success of the process.

### Here are some key strategies to navigate change effectively:

1. **Specify the digital transformation's aims and objectives:** What is the intended outcome? What are the precise objectives that must be accomplished? It will be easier to make sure that everyone is on the same page and pursuing the same aims if everyone has a clear grasp of the goals.
2. **Always, always, always communicate:** It might be challenging for people to accept change and adjust to it. Ensure that you routinely and honestly discuss the objectives of the digital transformation and how they will affect stakeholders, including employees, clients, and other parties.
3. **Be ready for resistance:** Even when a change is for the better, it can be challenging for people to embrace it. Have a strategy in place for dealing with any resistance that may arise.
4. **Implement changes gradually:** Changes should ideally be implemented gradually rather than all at once. In order to avoid overwhelming individuals with too much change at once, this will give people time to become used to the new way of doing things.
5. **Offer assistance and training:** Workers will need guidance in the new procedures, software applications, etc.

## QUE 45 (RTP NOV 22 /MTP NOV 23 S2)

Explain briefly the role of culture in promoting better strategy execution.

Or

'A strategy-supportive culture promotes good strategy execution.' Explain.

## ANSWER:

1. Strong cultures promote good strategy execution when there's fit and hurt execution when there's negligible fit.
2. A culture grounded in values, practices, and behavioral norms that match what is needed for good strategy execution helps energize people throughout the organization to do their jobs in a strategy-supportive manner.
3. A culture built around such business principles as listening to customers, encouraging employees to take pride in their work, and giving employees a high degree of decision-making responsibility. This is very conducive to successful execution of a strategy of delivering superior customer service.
4. A strong strategy-supportive culture makes employees feel genuinely better about their jobs and work environment and the merits of what the company is trying to accomplish. Employees are stimulated to take on the challenge of realizing the organizational vision, do their jobs competently and with enthusiasm, and collaborate with others.

# **QUE 46 (RTP MAY 22/MTP MAY 22 S1/MTP NOV 23 S2)**

Differentiation between Strategic Planning and Operational Planning.

ANSWER:

Following are the differences between Strategic Planning and Operational Planning:

<b>Strategic Planning</b>	<b>Operational Planning</b>
Strategic planning shapes the organization and its resources.	Operational planning deals with current deployment of success.
Strategic planning assesses the impact of environmental variables.	Operational planning develops tactics rather than strategy.
Strategic planning takes a holistic view of the organization.	Operational planning projects current operations into the future.
Strategic planning develops overall objectives and strategies.	Operational planning makes modification to the business functions but not fundamental changes.
Strategic planning is concerned with the long - term success of the organization.	Operational planning is concerned with the short - term success of the organization.
Strategic planning is a senior management responsibility.	Operational planning is the responsibility of functional managers.

# QUE 47 (MTP MAY 24 S1)

Why Strategic Performance Measures are essential for organizations?

## ANSWER:

### Strategic performance measures are essential for organizations for Following Reasons

1. **Goal Alignment:** Strategic performance measures help organizations align their strategies with their goals and objectives, ensuring that they are on track to achieve their desired outcomes.
2. **Resource Allocation:** Strategic performance measures provide organizations with the information they need to make informed decisions about resource allocation, enabling them to prioritize their efforts and allocate resources to the areas that will have the greatest impact on their performance.
3. **Continuous Improvement:** Strategic performance measures provide organizations with a framework for continuous improvement, enabling them to track their progress and make adjustments to improve their performance over time.
4. **External Accountability:** Strategic performance measures help organizations demonstrate accountability to stakeholders, including shareholders, customers, and regulatory bodies, by providing a clear and transparent picture of their performance.

## QUE 48 (MTP MAY 24 S2)

Explain the concept of forward and backward linkages between strategy formulation and implementation in strategic management, using relevant examples. How do these linkages impact the overall strategic decision making process of an organization?

## ANSWER:

1. The concept of forward and backward linkages between strategy formulation and implementation in strategic management highlights the interconnected nature of these two phases and their impact on the overall strategic decision-making process of an organization.
2. **Forward Linkages:** Forward linkages refer to the impact of strategy formulation on strategy implementation. When an organization formulates a new strategy or revises an existing one, it sets the direction for the organization's future actions.
3. For example, if a company decides to expand its product line to target a new market segment, this decision will require changes in the organization's structure, resources allocation, and possibly its leadership style. These changes are necessary to align the organization's operations with the new strategic direction. Thus, the formulation of strategies has forward linkages with their implementation, as it sets the stage for how the strategy will be executed.
4. **Backward Linkages:** Backward linkages, on the other hand, refer to the impact of Strategy implementation on strategy formulation. As an organization implements its strategies, it gains valuable insights and feedback from the implementation process. This feedback can influence future strategic decisions.
5. For example, if a company faces unexpected challenges or discovers new opportunities during the implementation of a strategy, it may need to reevaluate its strategic choices. Similarly, past strategic actions and their outcomes can also influence the formulation of future strategies. Over time, these incremental changes in strategy and implementation take the organization from its current state to where it aims to be, reflecting the dynamic nature of strategic management.
6. In conclusion, the forward and backward linkages between strategy formulation and implementation highlight the iterative and interconnected nature of strategic management. By understanding and leveraging these linkages, organizations can enhance their strategic decision-making process and improve their overall performance.

## QUE 49 (MTP MAY 24 S2)

Define Strategic Performance Measures (SPM). Explain various types of strategic performance measures.

## ANSWER:

Strategic performance measures are key indicators that organizations use to track the effectiveness of their strategies and make informed decisions about resource allocation. The measures provide a snapshot of the organization's performance, enabling leaders to assess whether their strategies are aligned with their goals and objectives and to make necessary adjustments to improve their performance.

### Types of Strategic Performance Measure

1. **Financial Measures:** Financial measures, such as revenue growth, return on investment (ROI), and profit margins, provide an understanding of the organization's financial performance and its ability to generate profit.
2. **Customer Satisfaction Measures:** Customer measures, such as customer satisfaction, customer retention, and customer loyalty, provide insight into the organization's ability to meet customer needs and provide high-quality products and services.
3. **Market Measures:** Market measures, such as market share, customer acquisition, and customer referrals, provide information about the organization's competitiveness in the marketplace and its ability to attract and retain customers.
4. **Employee Measures:** Employee measures, such as employee satisfaction, turnover rate, and employee engagement, provide insight into the organization's ability to attract and retain talented employees and create a positive work environment.
5. **Innovation Measures:** Innovation measures, such as research and development (R&D) spending, patent applications, and new product launches, provide insight into the organization's ability to innovate and create new products and services that meet customer needs.
6. **Environmental Measures:** Environmental measures, such as energy consumption, waste reduction, and carbon emissions, provide insight into the organization's impact on the environment and its efforts to operate in a sustainable manner.

# QUE 50 (MTP MAY 22 S1)

What do you understand by functional structure?

## ANSWER:

1. Functional structure is widely used because of its simplicity and low cost.
2. A functional structure groups tasks and activities by business function.
3. The functional structure consists of a chief executive officer or a managing director and limited corporate staff with functional line managers in dominant functions such as production, accounting, marketing, R&D, engineering, and human resources.

### **4. Advantages of Functional Structure**

- a) Promotes specialization of labour,
- b) Encourages efficiency,
- c) Allows quick decision-making.
- d) Expert can manage each department since all jobs are specialized activities and require specialists.
- e) Better supervision, since an individual manager becomes familiar with related tasks and activities.
- f) Better co-ordination due to specialization and efficiency among the various departments.

### **5. Disadvantages of Functional Structure**

- a) Forces accountability to the top,
- b) Minimizes career development opportunities,
- c) Low employee morale,
- d) Creates Line-Staff Conflicts,
- e) Poor Delegation of Authority,
- f) Inadequate planning for products and markets.
- g) Differences in functional specialization and orientation create problems in communications and co-ordination.
- h) Specialists may develop narrow perspective, losing sight of the Company's strategic vision and mission.

# QUE 51 (PYP MAY 18)

Corporate culture is always identical in all the organizations. Comment

**Incorrect:**

1. Every company has its own organizational culture. Each has its own business philosophy and principles, its own ways of approaching to the problems and making decisions, its own work climate, work ethics, etc.
2. Therefore, corporate culture need not be identical in all organizations. However, every organization over a period of time inherits and percolates down its own specific work ethos and approaches.

# QUE 52 (PYP NOV 18)

Structure has no impact on the strategy of the organization. Comment

## Incorrect:

1. Structures are designed to facilitate the strategic pursuit of a firm and, therefore, follows strategy.
2. Without a strategy it will be difficult to design an effective structure.
3. Strategic developments may require allocation of resources and there may be a need for adapting the organisation's structure to handle new activities as well as training personnel and devising appropriate systems.

# QUE 53 (RTP MAY 18)

Network Structures eliminate many in-house functions. Comment

**Correct:**

1. The network structure can be termed a "non-structure" by its virtual elimination of in-house business functions. Many activities are outsourced.
2. A corporation organized in this manner is often called a virtual organization because it is composed of a series of project groups or collaborations linked by constantly changing non-hierarchical, cobweb-like networks.

# QUE 54 (RTP MAY 18)

Strategic surveillance is highly focused and organized control activity. Comment

## Incorrect:

1. The strategic surveillance is unfocussed.
2. It involves general monitoring of various sources of information to uncover unanticipated information having a bearing on the organizational strategy.
3. It involves casual environmental browsing. Reading financial and other newspapers, business magazines, attending meetings, conferences, discussions and so on.
4. Strategic surveillance, a loose form of strategic control, But is capable of uncovering information relevant to strategy.

# QUE 55

Strategic planning is an attempt to improve operational efficiency. Comment

**Incorrect:**

1. Strategic planning, an important component of strategic management, involves developing a strategy to meet competition and ensure long-term survival and growth.
2. Strategic Planning is a function of top management level in the organization and relate the organization with its environment.
3. Operational efficiency is not a direct outcome of strategic planning. Operational Planning Ensures Operational Efficiency

# QUE 56

The first step of strategy formulation in strategic management model is to undertake internal analysis.  
Comment

## Incorrect:

1. Identifying an organization's existing vision, mission, objectives, and strategies is the starting point for any strategic management process because an organization's existing situation and condition may preclude certain strategies and may even dictate a particular course of action.
2. Determining vision and mission provides long-term direction, delineate what kind of enterprise the company is trying to become and infuse the organization with a sense of purposeful action.

# QUE 57

Strategies may require changes in organizational structure. Comment

**Correct:**

Changes in corporate strategy often require changes in the way an organization is structured for two major reasons.

1. First, structure largely dictates how operational objectives and policies will be established to achieve the strategic objectives.
2. The second major reason why changes in strategy often require changes in structure is that structure dictates how resources will be allocated to achieve strategic objectives.

# QUE 58

SBU concept facilitates multi-business operations. Comment

**Correct:**

1. Organizing business along SBU lines and creating strategic business units has become a common practice for multi-product/service and global organizations.
2. It is a convenient and intelligent grouping of activities along distinct businesses and has replaced the conventional groupings.
3. SBU facilitates strategic planning, gaining product related/market-related specialization, gaining cost-economies and more rational organizational structure

# QUE 59

Culture promotes better strategy execution. Comment

**Correct:**

1. Strong culture in an organization promotes good strategy execution when there's fit and hurt execution when there's negligible fit.
2. A culture grounded in values, practices, and behavioural norms that match what is needed for good strategy execution helps energize people throughout the company to do their jobs in a strategy-supportive manner, adding significantly to the power and effectiveness of strategy execution.

# QUE 60

An organization's culture is always an obstacle to successful strategy implementation. Comment

**Incorrect:**

1. A company's culture is manifested in the values and business principles that management preaches and practices.
2. The beliefs, vision, objectives and business approaches and practices underpinning a company's strategy may be compatible with its culture or may not.
3. When they are compatible the culture becomes a valuable ally in strategy implementation and execution.

# QUE 61

Control systems run parallel with strategic levels. Comment

**Correct:**

1. There are three strategic levels in an organisation - corporate, business and functional. Control systems are required at all the three levels.
2. At the top level, strategic controls are built to check whether the strategy is being implemented as planned and the results produced by the strategy are those intended.
3. Down the hierarchy, management controls and operational controls are built in the systems. Operational controls are required for day-to-day management of business.