

and 1989, to foster innovation and flexibility, it set up fifteen small independent units within the company to investigate such fields as robotics, specialized equipment and analytical instruments. May be its significant departure from its past tradition has been related to its commitment to compete in the personal computer market. The BECL PC is built largely from parts bought from outside suppliers, making its technical specifications available to other firms in order to stimulate compatible software and peripheral equipment. The company has even begun to offer discount prices to stimulate sales.

Questions :

1. Analyse the key issues discussed in the case. (10)
2. Describe BECL's organisational structure and culture. Does this structure and culture inhibit
 - (a) employee motivation
 - (b) employee innovation or
 - (c) organisational flexibility. (25)
3. How does BECL's selection criteria, socialization techniques, and reward system act to maintain its culture? (20)
4. Case in brief (5)
5. Analysis part. (15)

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B.B.A. (CBCS) DEGREE EXAMINATION,
APRIL 2016.

Sixth Semester

Business Administration - Main

CASE ANALYSIS – II

(For those who joined in July 2012 and afterwards)

Time : Three hours

Maximum : 75 marks

- I. Read the following case and answer the questions given below:

BHARAT ELECTRONICS CORPORATION LIMITED

Bharat Electronics Corporation Limited (BECL)'s sales exceed Rs. 4500 million a year. Its nationwide operations employ about 38,000 people. BECL's product lines range from Rs. 12,000 electronic typewriters to data processing systems that sell for Rs. 11,00,000. It controls 40 per cent of the nationwide market for computing equipment. The company is generally acknowledged to be one of the most successful and best managed corporations in India. Of course, it did not achieve its stature solely on luck. The



company obviously does a number of things that work. The following describes a few of the qualities that make BECL the unquestionable leader in its field.

Employee behavior at BECL is the product of its founder's philosophy. Dhiren Shah had rules for almost everything. Dark business suits, white shirts and striped ties were the "executive uniform". Drinking alcoholic beverages, even off the job, was strictly prohibited. Employees were expected to accept frequent transfers. Today, the rules are a bit less severe, but the conservative image is still there. Male sales personnel are expected to wear suits and ties when meeting customers, but shirts no longer have to be white. All employees are also subjected to a 32 page code of business ethics.

BECL has always demonstrated a strong commitment to its employees. People sometimes get fired, but it has never laid-off anyone to cut costs. Redundant employees are retrained and then reassigned. But this commitment is two way: BECL carefully screens job candidates to identify people who will grow with the company. New employees are expected to spend their working careers with BECL. Of course, it does not always work that way. Many employees leave voluntarily as they are sought after in other companies for senior executive positions.

Salaries and benefits at BECL are highly competitive. In several state units, the company has its own staff quarters and recreation clubs and the membership is a manager Rs. 5 a year. It is not surprising that this concern for its employees has led to a strongly committed work force.

Part of BECL's success is also attributable to its commitment to service. Its sales personnel are thoroughly trained and highly knowledgeable. Most new employees spend most of their first two months in company-run classes. Managers are required to take at least sixty hours of additional instruction.

Every year, BECL spends more than Rs. 5 million on employee education and training. Customers can feel confident that if they have a problem with BECL equipments, its sales and services personnel will be able to solve them without complicated procedure.

To commitment to service is strongly customer focused. BECL spends heavily to acquire comprehensive and up-to-date market research data on potential customer needs. In contrast to many of its competitors, which have allowed technology to drive their product line, BECL has sought to let the customers determine what it will produce and sell.

But maintaining a successful record also requires change. BECL has recently demonstrated that it will adapt to changing conditions. Between 1986

