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Growth at Growcraft

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This case deals with a situation where the Managing Director of a State Public Undertaking has ambitious growth plan and for that he wanted to have a proper organizational structure and design in place. In this context, the consultants have submitted their reports on proposed organizational structure and design. For the Headquarters a functional structure has been recommended and a matrix structure has been proposed at the regional level. Considering that it is a growing organization with increasing need for coordination and flexibility, it is proposed that a combination of a functional structure at Headquarter (that allows for differentiation by specialization), and matrix structure in field (that allows for flexibility and coordination), would be the most appropriate. Further, since the organization is a small in terms of its size and the number of employees desired to be engaged at the Headquarters, the recommended structure has been intentionally kept somewhat flat to ensure less levels of hierarchy and facilitate effective coordination. The case presents the backdrop to appreciate that organizations have different structures; the structure of an organization has a bearing on employee attitudes, behavior and effective functioning of the organization. The discussions of the case are intended to highlight that growth strategies require changes in organization structure.

Keywords: Cottage Industries, Self Help Group, Growth, Job Structure, Organizational Structure and Design, Matrix Structure, Functional Structure, Business Strategy

The Organization

Purvakhand Silk Textile and Handicraft Development Corporation Ltd. (Growcraft) is a government of Purvakhand undertaking under the Department of Industries, Government of Purvakhand. It was established to develop and support sericulture farmers, weavers and artisans living in remote areas of Purvakhand- a state located in the eastern part of India with a sizable number of tribal population and forests. The organization is entrusted with the role of implementation of the Government funded schemes to promote Tasar (Silk), handloom, handicraft, paintings and garment manufacturing. In addition to this role of implementation and support agency of the State Government, Growcraft is engaged in business activity with the purpose of generating surplus by way of purchase, storage, marketing and sales of Tasar, handloom clothes, fabricated clothes, stitched clothes, handcrafts, painting, low cost houses with use of bamboos and other such developmental work. The basic functions of Growcraft are:

- Implementation of the government funded schemes
- Liaison and coordination with related agencies
- Purchase and storage of raw material and storage and dispatch of finished goods
- Quality control
- Promotion, publicity, marketing and public relations
- Sales-direct through own show rooms in major cities and e-sales; and through agreements with other stores such as petrol pumps

A publicly listed company, Growcraft started operations in 2006. The vision of Growcraft is "Creating opportunities and Changing Lives". The company is wholly owned by the Government of Purvakhand. The share capital of Growcraft is Rs. 10 crores divided into 10 lac equity shares of Rs. 100 each. The minimum paid-up capital has been kept as

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Rs. 5 lac and hundred percent shares are owned by the Government of Purvakhand. It is professionally managed and strives to create livelihood opportunities to artisans and people in interior villages. At present the organization is supporting more than one lakh families. The turnover of Growcraft in the year 2007-08 was Rs. 50 lakh ; 2008-09 was Rs. 700 lakh; and the year 2009-10 recorded more than Rs.2100 lakh. The company is doing business of around Rs. 5 crore in a year and it has plans to do business of Rs. 50 crore in the coming years. To carry out various activities additional working capital is arranged from financial institutions like NABARD etc. The main objectives to be pursued by Growcraft are:

- To establish and promote, by way of technical and financial support, handloom, power loom, silk, handicrafts and textile industries in the state of Purvakhand
- To represent Growcraft in exhibition and Haat any where in the world
- To conduct any activity which is likely to facilitate or accelerate the development of handloom, power loom, silk, handicrafts and textile industries in the state of Purvakhand
- To establish trade connections and warehouses
- To organize production through co-operatives, artisans or its own production centers
- To make available technical, financial and other assistance to cooperatives and small traders, to procure and supply raw materials, tools and equipments, train artisans, set-up common facility centers and establish a system of inspection and quality control
- To establish show rooms and selling points along with marketing and publicity
- To provide loans and financial assistance to carry out its objectives
- To promote and operate schemes for development of handicrafts, handloom, power loom, silk and textile products in Purvakhand

Broad Activities

The broad activities of Growcraft may be categorized as under development work, commercial activities and welfare activities. Each of them is discussed below.

Development work

The focus here is in implementing schemes/ projects sanctioned by state and central Government. The functional areas include sericulture, weaving and handicraft. The main activities under each are listed below:

I Sericulture

a) Survey of Tasar farmers and forming them into groups for expansions of activities. Currently Growcraft has already surveyed more than 65000 farmers

b) Training of farmers

c) Purchase of cocoons from Tasar farmers and storage in cocoon banks as Tasar Sericulture is a seasonal activity

d) Establishing and running Common Facility Centers (CFCs) of reeling and spinning, and making silk yarn from cocoons. Each centre employs around 30 women. In all there are around 60 such centers. Growcraft provides raw materials (cocoons) and offers marketing tie ups.

e) Running training Institute for Handloom and Sericulture in Saraigaon district. This Institute has been established with the support of NIFT Kolkata

f) Promoting research in Sericulture

II Weaving

a) Implementing Cluster Development Schemes for weavers. At present Growcraft is implementing 26 such schemes under which more than 40,000 weavers families are likely to get self employment in a span of three years

b) Running a training Institute for weavers in Gomani district which was established with the help of NID Ahmadabad

c) Providing raw material, designs support, skill up-gradation and marketing support to weavers

d) Managing Dye Units

III Handicraft

a) Organizing artisans into Self Help Groups (SHGs)

b) Imparting training

c) Providing raw material, design and market linkages

More than 15000 artisans are being supported by Growcraft under this initiative.

In addition, Growcraft offers training for artisans, training for trainers of programmes, orientation programmes for Growcraft's officers and staff, and periodically conducts training for weavers, artisans,, officers and staff in collaboration with reputed institutions.

Commercial activities

The main activities involved under this are:

a. Procurement of raw materials

b. Procurement of machines and tools

c. Supply of raw materials, machines tools, looms for weavers and artisans

d. Managing central store

e. Running emporiums

f. Handling export

g. Managing productions centers and ensuring quality

h. Developing designs as per marketing trend and conducting marketing test

i. Participating in National and International trade fairs

j. Providing financial linkages

Welfare activities

Growcraft is also implementing insurance schemes like health insurance, life insurance and accident insurance schemes for the weavers, Tasar farmers and artisans. Additionally, Growcraft also supports a weavers school. Other plans in the pipeline include providing education and health services in the clusters developed by Growcraft.

Activity flow

As the first step, the survey of various clusters is carried out and artisan and weavers are identified. The potential is also assessed at this stage. Next the individual artisans and weavers are organized into groups. This is followed by imparting training to artisans and weavers. Following which, the various groups engage in production with the supply of raw materials, infrastructural support, design assistance, and financial and technical support coming from Growcraft. At the next stage, Growcraft purchases finished and semi-finished products from these groups by making payment at the market rate. Growcraft does storage, transportation of products to Emporiums, Exhibitions and Trade Fairs and also undertakes marketing for the products. Growcraft sells products directly and indirectly to customers in India and abroad and earns profit which is ploughed back to the development of Tasar Silk, handloom and handicraft in the state of Purvakhand.

To meet objectives of supporting, promoting and marketing sericulture, weaving, fabrics on cloth and handicraft, following activities or processes are carried out:

I. **Procurement:** Cocoons, silk filament, spun yarn, fabric, manufactured garments, handicraft products including paintings, and low cost houses constructed with bamboos etc.

II. **Value Addition:** Procurement with price (purchase), storage, marketing and sales (both direct and indirect)

III. **Support**

a) Pre-cocoon activities (plantation, rearing and harvesting)

b) Post-cocoon activities (reeling, spinning, weaving and garment manufacturing)

c) Infra-structural support (building, weaving machines, common facility centre (CFC), cocoon bank, Pilot Project Centre (PPC), supply of yarn to weavers)

d) Design assistance with the help from NID, NIFT and hired designers

e) Training

f) Surveys to find out scope for expansion

g) Arranging working capital for various activitie

h) Welfare activities for social and economic uplift with the help of Government schemes and schemes of health insurance,

vocational training and low-priced uniform to the students of state-run Kasturaba Gandhi Balika Vidyalaya (KGBV)

The activities for silk, handloom and handicraft are discussed in further detail in the next section.

Sectional Activity Flow

I. Tasar Silk

Purvakhand State is the largest Tasar silk producer in the country. At present, it produces 300 metric ton with the target of producing 1000 metric ton by the end of 11th five year plan. Growcraft has procured Organic Silk Certification from One Cert Asia, an international organization, for its silk products. It has also obtained the Handloom and silk mark.

Through the Tasar silk production, Growcraft is affecting changes in the living standards of the rural population with each woman employed in production earning around Rs. 4000-5000 every month. Growcraft supports around 60 CFCs each of which consists of 30 women for reeling and spinning, and weaving is also carried out in some places. About 1680 women are engaged and more and more CFCs are added every year. Around 1600 weavers are being supported. Growcraft identifies farmers and Self-Help Groups (SHG) who are producing Tasar cocoons. They are provided with seeds, training and other required help to increase and sustain production of cocoons. Growcraft purchases cocoons from them at the market rate. The company needs about four crore cocoons in a year but due to limited working capital it is able to purchase only half of them currently.

The following are various steps of the activities with regard to Tasar silk:

1. Production of cocoons
2. Purchase of cocoons by Growcraft and their storage in cocoon banks
3. Supply of raw materials including cocoons to CFC by Growcraft on credit basis
4. Reeling and spinning at CFC
5. Yarn is procured by Growcraft at the market rate and stored in Silk Yarn Banks
6. Yarn is supplied to Weaving Clusters by Growcraft on credit basis
7. Design support by Growcraft for fabric
8. Fabric on consignment basis is done and stored to ship to Emporiums, Export Houses, Trade Fairs, Exhibition and Direct Customers
9. Net profit transferred to Weaving Clusters

II. Handloom

There were 162 Primary Weavers Co-operative Societies (PWCS) in Purvakhand, but many had become defunct. Growcraft is reviving them by training and providing looms and other infra-structural support. Currently, 85 PWCS are operational and each weaver is earning Rs. 3000-4000 a month. Growcraft procures yarn from National Handloom Development Corporation (NHDC) and provides to PWCS on credit.

The following are various steps of the activities with regard to Handloom:

1. Design development and skill up-gradation of PWCS by Growcraft
2. Yarn is provided from NHDC on credit
3. Yarn weaving and fabric
4. Procurement of fabric by Growcraft
5. Value addition, storage and transportation by Growcraft
6. Sale both direct and indirect
7. Net profit given back to PWCS

III. Handicraft

Considering the large potential of small household and cottage industries, Growcraft is also developing this sector with a view to strengthen it. Growcraft provides training to develop this sector and so far it has trained around 5000 artisans and supports around 10,000 artisans with plans to go to 50,000 in near future. Artisans are organized into SHGs which are in turn being made into federations. These artisans are trained in tribal painting, Zardosi work, Kantha stitch, lac-bangles, Applique work, woodcraft, bamboo products (including houses), Dhokra art etc. The Design Unit of Growcraft, consisting of designers from NIFT and NID, provided design support to the artisans.

The following are various steps of the activities with regard to Handicraft:

1. Identification of artisans and organizing them into SHGs
2. Training of Artisans
3. Design support by designers of NIFT and NID under the banner of Growcraft
4. Supply of raw material to artisans on credit
5. Procurement of finished products by Growcraft on market rate
6. Storage, value addition and transportation by Growcraft
7. Direct and indirect sale by Growcraft
8. Transfer of net profit to SHGs of artisans along with feed-back of customers

Marketing and Sales

The first emporium of Growcraft was opened in Runka in 2007. It has six outlets in Delhi, one in Bangalore and one in Kolkata. During 2010, it has opened one outlet in Mumbai and shortly other outlets will be opened in Runka, Delhi and Mumbai. It has plans to open new outlets in Goa, Ahmedabad, Hyderabad, Chennai, Thiruvandpuram, Jaipur, Lucknow, Ajmer, Baroda and Indore. Franchisee show rooms are being opened in Dumta and Kochi. It is also planning to open new show rooms in Jampur, Bogaon, Dhankua, Hazgarh and Girdharipur.

Growcraft also intends to open its Emporium in Mauritius in 2013. It has tied up with HPCL for opening outlets at petrol pumps at important places throughout the country. Growcraft is exporting its silk products through export houses. It has tied up with two export houses, Moraka Organic Pvt. Ltd., Jaipur and Jaipur & Needle Point, Delhi.

Growcraft has marketing arrangements with Handicraft and Handloom Export Corporation of India Ltd. (HHEC) and has plans of e-marketing and on-line sales. It is also doing whole-sale marketing. In addition to organizing district level fairs in Purvakhand on its own, Growcraft is also participating in National Fairs like Silk Mark, Silk Fab, Saras, IITF, Handloom Fairs and Industrial Fairs.

Human Resources at Growcraft

For managing its different activities, professionals from different backgrounds are employed by Growcraft. These include:-

- Post Graduate Diploma holders in Sericulture
- Diploma holders from Indian Institute of Handlooms Technology
- Designers from NIFT and NID
- Marketing professional
- Professionals for administration
- Chartered Accountants and Company Secretary
- Professionals from Social Science background to run welfare activities
- Trainers from different crafts
- Office supporting staff like steno, computer operator, class IV employees

At present the HQ staff strength of Growcraft is 19 excluding MD who has his substantive posting as Director, Handloom, Sericulture, Handicraft and Khadi. The posting of 19 staff at the HQ of Growcraft (Runka) is on an ad-hoc basis with contractual term appointment and fixed salary. The designation of existing staff is as follows:

1. Manager Administration
2. Legal Adviser
3. Executive Assistant (Administration)
4. Accounts Manager
5. Manager-Store
6. Executive Assistant (Accounts)-Two in number
7. Accountant
8. Manager-Marketing
9. Sr. Manager-Sales
10. Store Assistants (Two in number)
11. Regional Manager (Three in number)
12. Software In-charge
13. Computer Operator
14. Sampling In-charge
15. Assistant-Design

The existing reporting relationships are outlined below:

- Store and design functions report to Manager Administration who reports to MD
- Regional Managers report to Manager-Marketing who reports to MD
- Accountant and Executive Assistants (Accounts) report to Accounts Manager who report to MD
- Rest all directly report to MD

Other essential services like security, cleaning etc. are currently being outsourced. In addition to staff for HQ functions, there are:

1. Eleven Cluster Development Executives for Handloom related activities in field. All of them have Diploma from Integrated Institute of Handloom Technology (IIHT)
2. Thirteen Project Managers for sericulture (Tasar Silk) activities in field, with PG Diploma in sericulture
3. Eight Designers to provide design assistance in various activities. All of the have Diploma from National Institute from Fashion Technology

The field staff is appointed on contractual basis for a fixed period and on fixed salary. For running and supervising Pilot Project Centers (PPC) for Sericulture, Handloom Centers and Handicraft Centers, officials from Department of Industries, Sericulture and Handloom have been deployed. Growcraft is also using state run Tasar Research Centre, Purvakhand Silk Development Institute and their field set-up for its various activities.

The Concern of Managing Director

Managing Director of Growcraft was deeply concerned with the growth of the organization. He was of the view that without a proper organization structure and design, the Growcraft cannot achieve its growth plan. He had also expressed this concern in several formal and informal discussions. He decided to engage external consultants to advise him on proposed organization structure and design.

The consultants submitted following proposal for the consideration of the Managing Director of Growcraft:

Report of the Consultants

Organization structure defines how job tasks are formally divided, grouped and coordinated in any organization. While organizations have different structures, the structure of an organization has a bearing on employee attitudes, behavior and effective functioning of the organization. The structure provides information on various facets of organizing. Essentially it informs about the degree to which tasks are divided, basis for which jobs are grouped, reporting relationships, and indicates where decision making and authority lie. In other words the design and structure of an organization provide information with respect to the departmentalization, chain of command, span of control, centralization and formalization of activities in any organization.

Structure for Head Quarter

For the Corporate Head Quarter a functional structure is proposed with full time permanent positions recommended for the Heads of the Departments. Other positions may be on contractual basis or permanent postings, based on the requirement. A functional structure allows for putting specialists together, minimizing the number necessary, while allowing pooling and sharing of specialized resources across products or groups.

Based on inputs from Growcraft and advantages of a lean organization structure, the following 4 major departments under the supervision and control of the Managing Director and headed by Functional Heads with permanent postings may be considered.

1. Administration and Company Secretary
2. Finance and Accounts Department
3. Manager Production and Quality Control
4. Store and Marketing Department

The MD will have flexibility of deciding level of the position. The different Functional Heads may be appointed in any of the four levels of:

Level 1: Rank of Deputy GM

Level 2: Rank of Assistant GM

Level 3: Rank of Senior Manager

Level 4: Rank of Manager

All the four functional heads, appointed at any of the levels as mentioned above will directly report to

the Managing Director. Given the nature of the work and the coordination required, the Administration Wing will be authorized to coordinate and act on behalf of the MD as and when required.

The first level of structure is shown in Exhibit 1

Each of the departments with their departmental structure are discussed in further detail.

Administration and Company Secretary

This function will consist of Head Administration and Company Secretary (a permanent position reporting to MD) and following members reporting to the functional head;

(i) HR and Administration Manager

(ii) CSR Activity Incharge

(iii) Public Relations Expert

(iv) Legal and Contracts Expert

(v) Government Schemes Coordinator

All reportees other than Legal and Contract Expert may be considered for permanent posting as their work is likely to involve close coordination and high degree of involvement and commitment to the organization. The structure for the Administration and CS Department is shown in Exhibit 2.

Department of Finance and Accounts

This function will consist of Head Finance and Accounts (permanent position reporting to MD) and three reporting Accounts Managers as shown below. The Manager Accounts can be permanent postings with other required reportees hired on contract basis.

(i) Manager Accounts For Emporium and Melas

(ii) Manager Accounts For Cash, Bank and Treasury

(iii) Manager Accounts For General Accounts and Stores, Scheme and Branch Account

The structure for Accounts is shown in Exhibit 3.

Department of Production and Quality Control

The department will consist of Head Production and Quality Control (permanent position reporting to MD) and following members reporting to the Head:

(i) Design department Designers at HQ level

(ii) Manager - Handicraft

(iii) Manager - Handloom

(iv) Manager Dyeing and Finishing - For Cotton and Silk

The design department will consist of a team of 5-7 designers from NIFT/NID at the HQ level employed for developing new designs. These may be on contract. The three other managers for handicraft, handloom and dyeing and finishing can be permanent positions with reportees to them hired on contractual basis. The managers will be responsible for both production and quality of the products under them. The structure for the Production and Quality Control Department is shown in Exhibit 4.

Stores and Marketing Department

This function will consist of Head Stores and Marketing (permanent position reporting to MD) and following managers reporting to the Head;

(i) Store Manager

(ii) Marketing and Sales Manager

(iii) Exports Incharge

(iv) Online Marketing Incharge

(v) Emporium Incharge

These five managers can be permanent staff with their reportees as shown in Exhibit 5 employed on contractual basis.

The marketing and sales executives will primarily report to the marketing and sales manager, but will also be shared resources for the emporium, exports and online marketing in-charges as required.

While the proposed structure may work for Growcraft presently, going forward as the business of Growcraft grows, the company may want to consider separating the Stores and Marketing Department into (a) Marketing and Sales Department, and (b) Logistics Department to look after procurement, storage and distribution functions. Additionally, in future, a separate expert for quality control may also be required in the Production and Quality Control Department based on the need to maintain quality and acquire quality certifications

Structure at the Regional Level

A matrix structure is proposed at the regional level. The details of the regional structure are shown at Exhibit 6. A matrix structure creates dual lines of authority that combines functional and product departmentalization. The strength of a matrix structure is that which facilitates coordination across different interdependent activities. It also facilitates the efficient allocation of specialist. When individuals with highly specialized skills, for example in weaving or dyeing are lodged in one functional department or group, their talents are sometimes monopolized or underutilized. The matrix achieves the advantages of economies of scale by providing the organization with both the best resources and an effective way of ensuring their efficient deployment.

Given that at present there are about 65 CFCs, Purvakhand can be divided into four geographical regions headed by a regional manager who would be responsible for all the functions and activities of Growcraft in his/her region. Each region may cover catchment area of 16 Common Facility Centres (CFC) for the silk products, handloom products and handicraft products.

The highlights of this structure are:

- Each region would have 4 Product Facilitation Teams (PFT)
- Each PFT will comprise of:
  - o One Technical Executive (Sericulture)
  - o One Technical Executive (Weaving)
  - o One Technical Executive (Handicraft and Design)
- Each PFT will cover catchment area of 4 CFC and would be responsible for all kind of products including pre-product activities and other support and developmental activities in the catchment area of the CFCs.

The four PFTs following the matrix structure will report to both the regional managers for the region as well as the functional heads at Headquarters, as shown in Exhibit 6. This dual line of authority will ensure requisite coordination at the decentralized level and operational excellence with inputs and continuous engagement and monitoring from Headquarters.

Assumptions:

1. Existing staff positions can be changed
2. CFC are well scattered and catchment area of each CFC (which is primarily for sericulture) will also have sufficient activities of weaving both silk and cotton, and also handicraft
3. Three technical executives from three required profession will work in complementary manner and value addition would be better. At the same time, duplication and over-lapping would be avoided
4. The end products of Growcraft are interrelated at pre-product and post-product stages. For example, pre-cocoon activities facilitate production of cocoons which are needed by CFC, and CFC provides yarn to weavers who give fabric for stitching garments to artisans. This is well integrated cycle of one type of product.

The proposed structure for Growcraft, with a functional structure at Headquarters and matrix structure at the regional or field level has been designed keeping in mind the needs and strategy of the organization. Considering that Growcraft is a growing organization with increasing need for coordination and flexibility, it is proposed that a combination of a functional structure (that allows for differentiation by specialization), and matrix structure (that allows for flexibility and coordination), would be the most appropriate. Further, since Growcraft is a small organization in terms of its size and the number of employees desired to be engaged at the Headquarters, the recommended structure has been intentionally kept somewhat flat to ensure less levels of hierarchy and facilitate effective coordination.

How to Proceed?

Managing Director wants to introduce new organization structure and design, but he is not sure of first step. He is also suspecting that existing staff who have adjusted to the existing system may resist any change. He is often asking to himself as how to proceed?

Teaching Plan

Synopsis

Purvakhand Silk Textile and Handicraft Development Corporation Ltd. (Growcraft) is a Government of Purvakhand undertaking under the Department of Industries, Government of Purvakhand. It was established to develop and support sericulture farmers, weavers and artisans living in remote areas of Purvakhand- a state located in the eastern part of India with a sizable number of tribal population and forests.

The organization is entrusted with the role of implementation of the Government funded schemes to promote Tasar (Silk), handloom, handicraft, paintings and garment manufacturing. In addition to this role of implementation and support agency of the State Government, Growcraft is engaged in business activity with the purpose of generating surplus by way of purchase, storage, marketing and sales of Tasar, handloom clothes, fabricated clothes, stitched clothes, handcrafts, painting, low cost houses with use of bamboos and other such developmental work.

The main objectives to be pursued by Growcraft are to establish and promote by way of technical and financial support handloom, power loom, silk, handicrafts and textile industries in the state of Growcraft. The objective is achieved through variety of activities such as developmental, commercial and welfare.

The Managing Director of Growcraft has ambitious growth plan and for that he wanted to have a proper organizational structure and design in place. In this context, the consultants have submitted their reports on proposed organizational structure and design. For the Headquarters a functional structure has been recommended and a matrix structure has been proposed at the regional level. Considering that Growcraft is a growing organization with increasing need for coordination and flexibility, it is proposed that a combination of a functional structure (that allows for differentiation by specialization), and matrix structure (that allows for flexibility and coordination), would be the most appropriate. Further, since Growcraft is a small organization in terms of its size and the number of employees desired to be engaged at the Headquarters, the recommended structure has been intentionally kept somewhat flat to ensure less levels of hierarchy and facilitate effective coordination.

Teaching Points

1. To understand linkages of growth plan with the organization structure and design
2. To appreciate that organizations have different structures, the structure of an organization has a bearing on employee attitudes, behavior and effective functioning of the organization.
3. To explore as how the structure informs about the degree to which tasks are divided, basis for which jobs are grouped, reporting relationships, and indicates where decision making and authority lie. In other words the design and structure of an organization provide information with respect to the departmentalization, chain of command, span of control, centralization and formalization of activities in any organization.
4. To analyze various organization structure such as entrepreneurial, circular, functional, divisional, matrix, network and hybrid
5. To assess impact of organization design systems, that is, mechanical and natural
6. To understand the maxim that " Structure follows strategy"
7. To examine the role of organization design and structures in implementing business strategies
8. To appreciate that growth strategies require changes in organization structure

Key Learning Points/Take-away

1. The basic dimensions of organization structure
2. The relative advantages and disadvantages of various structures
3. Structure as key success factors for the success of the business strategy
4. Organization design and structure as driving forces
5. The organization design and structure are dynamic and must change to align with the business strategies
6. There is no best design, it all depends on the business objectives

Identification of Intended Course(s)

Organizational Behavior, Business Strategy, Human Resource Management

Suggested Assignment

Students should be given the home assignment to read the case and be ready with the analysis.

Suggested Time Plan

The case may be discussed in 120 minutes with following break-up:

1. What is the understanding of students with respect to Grwcraft as business organization? (20 minutes)
2. What is your critical analysis about the approach of the Managing Director of Growcraft? (15 minutes)
3. Do you agree with the approach of the consultants? Give reasons in support of your answer. (25 minutes)
4. Give your analysis of functional structure at the headquarters of Growcraft. (20 minutes)
5. Will matrix structure meet the requirement of regions? How this will gel with functional structure at the head quarter? (25 minutes)
6. Any other design and structure which can be tried at Growcraft? (15 minutes)

Exhibit 1: Reporting structure to Managing Director First level

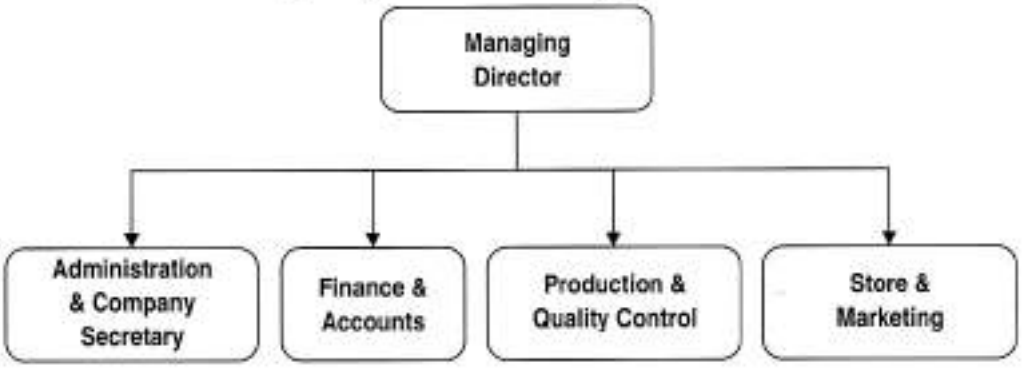


Exhibit 2: Administration and Company Secretary Department Structure

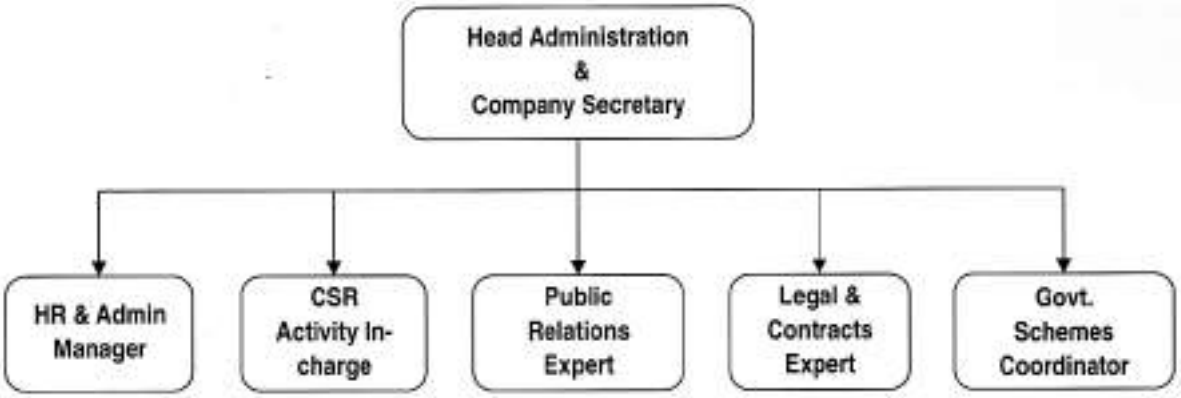


Exhibit 3: Finance and Accounts Department Structure

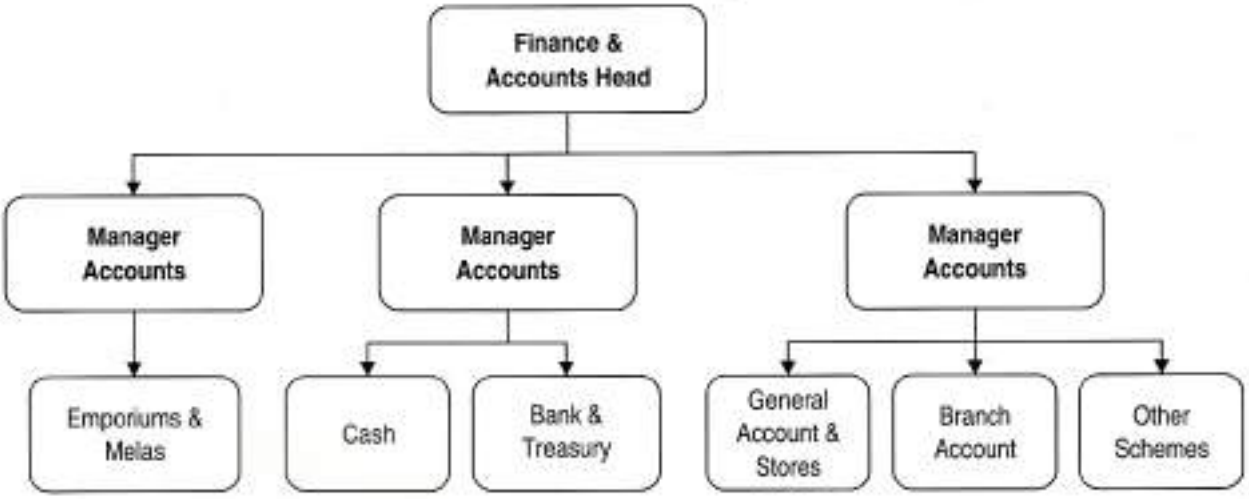


Exhibit 4: Production and Quality Control Department Structure

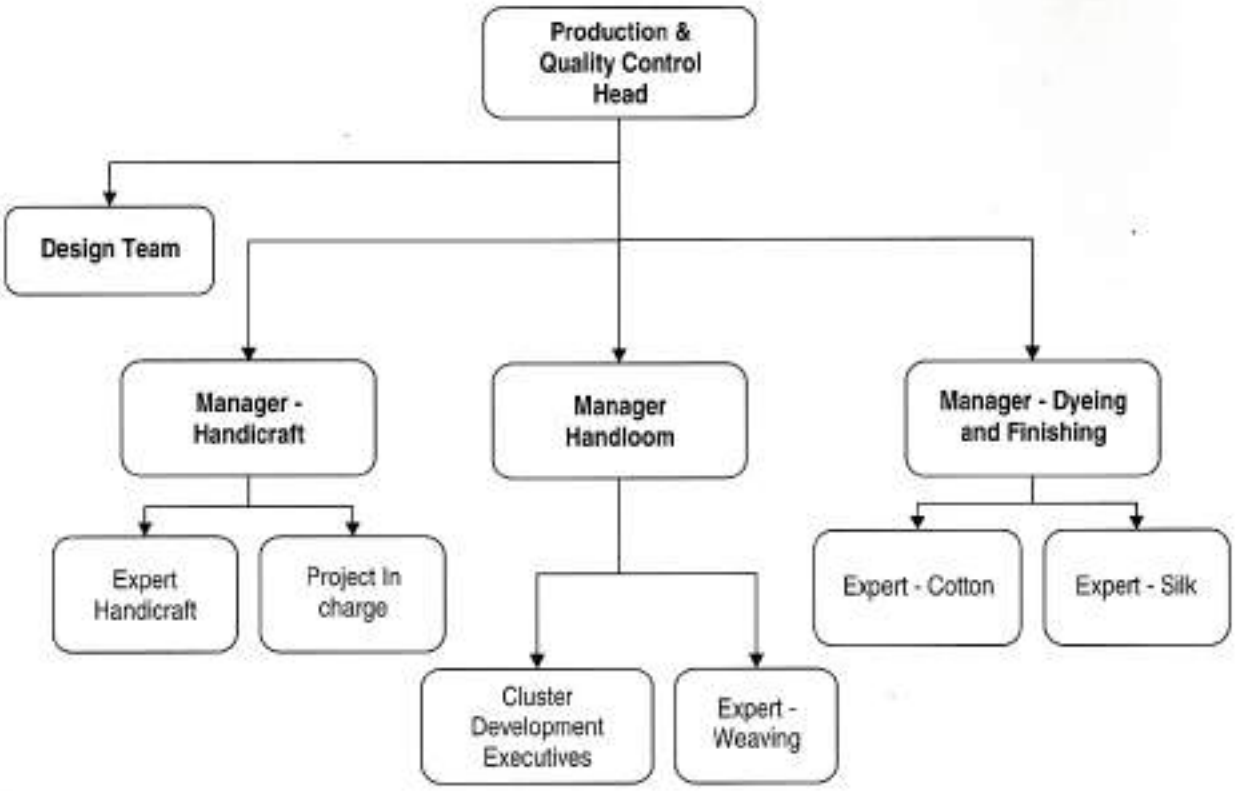


Exhibit 5: Stores and Marketing Department Structure



Exhibit 6: Proposed Organization Structure (HQ & Regional)

