

**PGDM 2019-21**  
**Organization Development and Leadership**  
**DM-322**  
**Trimester – III, End-Term Examination: June 2020**

**Please read the case study below and answer all the questions that follow.**

**July 07, 2015:** Chairman, Mr. S Anand announced the results which revealed revenue of INR 10000 Million and Profit after Tax INR 2890 Million. He was convinced that X Cart could enter the coveted INR 20000 Million league by March 2019. He called an urgent meeting of his direct reportees, the senior leadership team. His question to his CHRO was how the organization development and change management strategy shall help the organization to achieve its goal.

**Vision of X Cart:**

“By 2019, emerge as a leading Indian FMCG Company with turnover of INR 20000 Million, diversifying and growing business that creates value”.

**Mission:**

- i) To provide Quality Products and best services to the Customers
- ii) Engagement, Development, Recognition and Retention of Talent within the Organization
- iii) Developing a Professional Leadership Team that Inspires and Nurtures Talent

**Values:**

Ownership, Commitment, Empowerment, Transparency

**Strategic Thinking and Planning**

In last 5 years, the company shifted its focus from a single product to multiproduct necessitating change in sales infrastructure, quality of sales and business hygiene. This required efficient leadership team at zonal level, clarity of roles and responsibilities and deliverables across functions and locations. Further, change management and readiness to change was adopted across the organization. A Management Committee comprising of the senior leadership team members was formulated to discuss further strategic initiatives in pursuance of the organizational vision.

**Organizational Structure**

Organization Structure 2010: Controlled and coordinated through Chairman. Down the line from Vice Chairman, there were only two Designated Officials: President-Operations and Director-Sales & Marketing. He had tight control over their assigned departments and divisions, supported by only four verticals namely Finance, Sales, Marketing and Payroll.

2015: The current Organizational Structure starts with the Top Position which is Chairman, to whom the Managing Director and Head of Internal Audit report. Head of Finance/CFO, Head of International Business, Head-Supply Chain and Procurement (SC&P), Head-Marketing, Head-HR, Head-Sales, Head-IT & Head-Operations positions report to the MD. X

Cart went in for decentralization and things are being properly addressed by different functional heads within the same organization.

### **Manpower (Total Head-Count)**

The company could maintain an effective control on permanent manpower and continued the cost effective approach by increasing the off-roll number from 650 to 900 and contractual employee number from 150 to 400. The overall current strength of the organization is 1520.

While the organization was filled up with more employees in a higher age bracket, the organization took a step to start hiring new talent from outside. The mixing of the old and the new faces created a lot of challenge for the organization to handle. The organization lately has started to induct Management Trainees from Reputed Management institutes and shapes them for future roles in the organization.

### **Location of offices**

The scattered structure of the corporate is still a problem in X Cart. Their Sales and HR verticals were based at a place nearer to the capital of India, their Finance and Commercial functions were based at Upper North of India and Marketing, IT, procurement and General Management functions were based in western India.

### **Human Resource Management**

**In 2010**, X Cart was in a very early phase of HR Policies and Procedures. There were Personnel Executives and a Finance Manager who handled absence, payroll, recruitment, dismissal and queries over bonuses and so on. Employment Inspector and Local authorities were taken care of, negotiations of pay rates were done; there were local and district variations and there was plenty of scope for disputes. The role of the personnel function was largely that of implementing rules, and thus the organization was very much bureaucratic.

Looking into this, the present CHRO of the organization was hired from a reputed large FMCG brand and he with the then Director – S&M was instrumental in the deployment of a lot of HR measures over a period of 5 years in X Cart. The Talent Acquisitions were made much more process oriented. The Orientation Programme started and gained momentum to give the new inductees a platform to know the organization. Training and Development for the Sales employees began to happen. Performance Management process was strengthened and a half yearly PMS process also started. Exit Management procedure was given a shape and much more focus was given to the Grievance handling procedure. Succession Planning, Career path of the employees and the Reward and recognition programmes are yet to take a prominent shape in the organization.

### **Organizational Culture**

The shift in culture, from People dependence to process dependence, took a long time. Shift from departmental and regional silos to open communication and best practice sharing, top down approach for instilling culture and values, accessibility and open communication between departments and functions, Employee connect and engagement, Empowerment of line managers, Recognition and reinforcement of positive behaviors and actions are being implemented in the organization with a lot of conflict of interests generated.

### **Employer Branding**

X Cart employees are taking part in different management seminars. Selected brand ambassadors are creating awareness among the students in different management institutions by making company presentations.

**Questions:**

1. Describe in your own words the change and development that has already been institutionalized in X Cart over a period of 5 years from 2010 to 2015. What do you think were the challenges associated in carrying out this change? (CILO1) **(10 marks)**
  
2. You are the OD specialist and have been hired by the organization to implement the OD and Change Management process. You are required to:
  - A) Prepare an OD and change management strategy and process so that the organization X Cart is able to meet the target. (CILO3) **(10 marks)**
  
  - B) What would be the most appropriate style of leadership you would adopt to facilitate this change? (CILO2) **( 5 marks)**
  
  - C) With the implementation of the strategy and the process, what are the outcomes expected by the organization X Cart? (CILO3) **(5 marks)**

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