

**PGDM, 2021-23**  
**Organizational Behaviour**  
**DM-109**

**Trimester – I, End-Term Examination: October 2021**

Time allowed: 1 Hour 30 Min  
Max Marks: 30

Roll No: \_\_\_\_\_

**Instruction:** Students are required to write Roll No. on every page of the question paper; writing anything except the Roll No. will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Total Marks
A	3 short answer questions with internal choices and CILO covered <b>Note:</b> Attempt either (a) or (b) from each question in this section.	3*5	15
B	Compulsory Case Study	15	15
			<b>30</b>

**SECTION A**

1(a) We often think the best decision maker is rational. Using a suitable example, explain the different steps of rational decision-making. (CILO1)

**OR**

1(b) Describe your personality using MBTI and how it will help you in corporate life. (CILO1)

2(a) The job characteristics model can serve as a framework to identify opportunities for changes in job elements. Keeping this model in mind suggest a plan to motivate entry level sales employees. (CILO1)

**OR**

2(b) Explain any three situations in the organizational context where perception plays a key role. (CILO1)

3(a) Groups generally pass through a predictable sequence in their evolution. Describe different stages of group development. (CILO2)

**OR**

3(b) Change the situation or change the leader. Explain this with the framework of Fielder's Contingency Model. (CILO2)

**Please Turn Over**

## SECTION B

### **We Have to Change: Alighting Innovation in the Utility Industry**

There are 3,200 utilities that make up the U.S. electrical grid that sell \$400 billion worth of electricity a year. However, that is slowly changing. Companies like Comcast, NineStar Connect, and Vivint have started selling their customers electricity along with their services. Comcast offers its Xfinity customers in Pennsylvania the opportunity to purchase electricity as well as phone, Internet, and television services. NineStar Connect offers electricity, phone, broadband, and home security to customers in Indiana. Vivint, an alarm system company on the east coast, installs solar panels and alarms in clients' homes for free, and then requires the homeowner to purchase the electricity that is generated. Any excess is sold to the local power company. Google, while it has not formally entered the market, has its own wholesale power license and has purchased Nest, which makes a "learning thermostat." Industry experts speculate that it will only be a matter of time before Google enters the market. Even individuals are getting in on going "off the electric grid" and making use of energy alternatives by erecting their own wind turbines, installing solar panels, and even hydroelectric systems.

Utilities lose revenues when businesses and residential customers switch to alternative energy sources, most often solar and wind power. Utilities have to maintain the power transmission lines across the grid, grid storage, and their own power generation operations. Customers often are charged fees in their bills that help cover line and facilities maintenance, but those who are selling back power don't pay any of these fees while still using the power lines. They lose additional money from having to buy any excess electricity generated and from the increased grid storage capabilities that are needed to contain this extra generated power during lower use times.

Further, utility companies face a number of regulations and are limited in their actions. For instance, utilities in Louisiana, Idaho, and California have wanted to impose fees or taxes on solar users but have been rejected by regulators. It is unlikely that U.S. regulators will ever completely do away with electric companies, as there will always be a need to have a secure supply of power. However, it is unlikely that the government will help electric utility firms ensure they operate at highly profitable levels like the industry enjoyed for years after deregulation. Thus, these companies will always have to incur the expense of keeping up the power lines, and with a dwindling customer base.

With this influx of new competitors and poorly functioning operating model, utility companies are going to have to do something different in order to continue to be profitable and to combat the loss of customers. Michael Peevey, the president of the California Public Utilities Commission, states that these days utilities "hold their own fate in their hands. They can do nothing but complain or moan about technological change or they can try to keep pace with it." However, most utility companies are behind the times in terms of technology. While there are smart meters, most utilities have a limited presence in customer homes with programmable thermostats. They could have a greater presence if they were to invest in developing better in-home energy management tools (like the thermostats offered by Nest). Nor have many utilities looked into apps for phones or tablets that can help consumers manage their electricity use.

Finally, the utility companies themselves have been getting in the way of their own success. Over a decade ago, Peevey recommended to the California utilities to get into the solar business. He suggested they put the solar panels on people's homes and put the cost of installation into the rate base. The CEOs of the companies hesitated at Peevey's calls for change. Most CEOs replied to his innovative ideas by saying, "It's not our culture," which is true, as most electric companies did not have a need to innovate its production processes or

products for decades. Anthony Earley Jr., CEO of Pacific Gas & Electric, realizes the seriousness of the threat these problems pose. He knows that his company needs to change, but where should they start? Thus far, utility companies have tried to engage with customers through "energy audits," free consultations with homeowners to evaluate one's energy usage with suggestions on how to be more energy efficient. In addition, firms try to build relationships with customers through advertising and community sponsorships. What do you think of these ideas?

**Questions:**

4. What changes will the company need to make? In what areas should the company start making changes? (CILO3) **(5 marks)**
5. What kind of organization structure do you think will benefit the utility companies? (CILO3) **(5 marks)**
6. What kind of leadership style will be appropriate to bring about the necessary changes you suggest? (CILO2) **(5 marks)**

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