

PGDM, 2013-15
Organization Devpt. & Change
DM-321

Trimester – III, Supplementary Examination: September 2014

Time allowed: 2 Hrs 30 Min

Max Marks: 50

Roll No: _____

Instructions: Students are required to write their Roll No. on every page of the question paper; writing anything except the Roll No. will be treated as **Unfair Means**. In case of rough work please use the answer sheet.

Section A

Answer any three questions. Each question carries five marks.

- A1. What can be done to increase the forces driving change?
- A2. What kind of leadership and values are required for OD to flourish?
- A3. Why should organizations undertake OD initiatives?
- A4. What is the role of communication in institutionalizing change?
- A5. Enumerate any five important competencies of an effective OD practitioner.

Section B

Answer any two questions. Each question carries ten marks.

- B1. Explain the four essential components of the General Model of Planned Change.
- B2. What questions are investigated by OD facilitators at the organizational level during designing and managing team-building interventions?
- B3. As HR manager of a company, explain in detail any three interventions you would make to resolve differences between different groups of employees, who do not get along with each other?

Section C

Read the following case and answer the questions that follow. All questions are compulsory and carry 5 marks each.

IKEA: Catalyst for Change

In 1943, Ingvar Kamprad founded IKEA with an emphasis on cost leadership. IKEA designs and sells furniture in "flat packs" that allow one truck to deliver the same amount as six trucks hauling fully assembled furniture. However, a couple of wake-up calls changed IKEA's focus from low costs to "Low prices but not at any price."

In the early 1980s, formaldehyde emissions were found to cause health issues such as watery eyes, headaches, and a burning sensation in the throat. This led regulatory bodies in Denmark

and Germany to regulate these emissions. Higher than acceptable concentrations of formaldehyde were found in many IKEA's products, which used it as binding glue in plywood and particleboard. When this information was publicized, IKEA sales dropped 20 percent in Denmark. The company reacted by setting strict guidelines, but this was not enough. In the early 1990s, a best-selling IKEA book case was again found to have higher than acceptable levels of formaldehyde. Once again, sales dropped.

Because of the large financial impact and IKEA's desire to be socially responsible, IKEA CEO Anders Dahlvig knew changes had to be made. He began by asking a series of questions: "Is environmental and social work good for business? What right do we have to put demands on our suppliers? How fast should a company like IKEA move on sustainability?" Struggling with these questions led to IKEA becoming a company that is well known for its commitment to the environment.

To become greener, IKEA rallied company support around five primary issues: forestry, adapting the product range, working with suppliers, transport and distribution, and ensuring environmentally conscious stores. In regard to forestry, IKEA gets its timber from responsibly managed forests. IKEA is also working with the World Wildlife Fund to help the countries where they get their timber to improve ecological sustainability.

IKEA also employs inspectors who ensure that suppliers adhere to its code of conduct (called IWAY). Their aim is to make products that have a minimal impact on the environment in a socially responsible way. Further, the famed "flat packs" allow IKEA to ship more in one truck and reduce its emissions. Like IKEA's other social responsibility initiatives, focus on the environment is an ongoing process and IKEA hopes to continue to reduce its environmental footprint.

- C1. Of incremental, strategic, or transformational, which scope of change best describes IKEA's response to concerns over product safety and sustainability? Justify.
- C2. You have been assigned by IKEA's board of directors to appoint a new manager who will oversee IKEA's change to a green organization. Would you prefer to hire someone from within the organization or from outside the organization? Give reasons.
- C3. What are the primary internal and external forces that are fueling IKEA's need to change?

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