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| **C:\Users\ADMIN\Desktop\j.png** | **JAIPURIA INSTITUE OF MANAGEMENT, INDORE**  Post Graduate Diploma in Management (Batch 2021-23) |
| **Course Title: Organizational Change and Development, (Course Code: 40331)**  **End Term Improvement Examination, Term - VI (April, 2023)** | |
| **Time Duration : 2 Hours Total Marks: 40** | |

***General Instructions*:**

1. *Answer the questions as directed. The break-up of the marks is given wherever necessary.*
2. *Marks against each question is indicated to its right.*
3. *Answer all the questions of a ‘Section/Question’ at one place in continuation.*
4. *Do not write on the question paper except your roll number.*

**SECTION - A**

**Q1 (a).** As part of your team assignment you have researched one organization and its change initiatives.Illustrate upon how employees resisted these change initiatives that the chosen organization undertook. **(4+4=8 Marks)**

**(b).** Analyze the role of top management team in these two change initiatives. **(4+4=8 marks)**

**Q2.** A medium sized oil & gas engineering construction company based in Kuala Lumpur has been operating in Malaysia for more than 50 years. The employee headcount is 100 (22 managerial level, 72 non-managerial level and 6 non-managerial/non-executive directors). Steadily growing since its establishment, the company's revenue for 2013 was RM153 million. Their previous clients are from international and local based company such as Petron, Petronas, ExxonMobil, and Tokuyama. The company specializes in "Engineering, Procurement, Construction and Commissioning” (EPCC) operations and provides its services with exceptional quality and standards. Company objective is to satisfy client through quality, safety and completion timeliness, maximizing profit for the shareholders as well as providing a rewarding career to all its employees.

**Organizational issues and problems**

Change management was mooted by the managing director of the organization after a decline in client satisfaction in the “Customer Satisfaction Feedback (CSF)” for 4 of the last 7 projects, where they achieved below 2.5 of 5, completed by the company. The main reason for the decline in results was due to lack of manpower support, substandard engineering drawings quality and technical ability of the employees executing the projects.

For the above case provide details of various change programs and activities of change programs.

**(10 Marks)**

**SECTION - B**

Read the following report and answer the questions.

**Introduction:** At the request of the Chief Executive and Managing Director (MD) of the Air Conditioners International (ACI) to make a quick diagnostic study and prepare proposals for assisting the company, the consultant visited ACI from May 4-7, 1988. Interviews were held 24 executives including two of the General Managers. The following is a diagnostic report emerging out of the discussions and interviews with these executives. This is followed by a set of recommendations in the form of preliminary proposals for consideration.

**Background:** ACI was started in the year 1958. In the early years when it started with foreign collaboration it took pride in the products it manufactured. Till around the year 1975 the company did well and maintained a considerable degree of market stability. Its sales turnover ranged between Rs. 15 to 20 crores consistently with a capital investment of about Rs. 6 crores. during 1975-76 the company suffered a setback due to economic recession and fall in demands

for Air Conditioners. During 1980-81 there was a major industrial unrest for several months. A number of employees had to be retrenched. From 1983 onwards the company started making profits again.

However, what was considered monopoly items (mixers and grinders and aircoolers) started getting made by competitors and a number of others setting up small scale units. 1985 onwards the company again started making losses. An analysis indicated that the Air-Coolers and mixers division of the company is contributing greatly to the losses along with a high a demand for managerial time and resources. As a result, it was decided to close down this division in 1987. By mid-1987 this was closed down and about nearly 600 employees had to be removed in an operation to retain only those who are competent and needed. This pruning included parting with a sizeable number of managerial staff who were considered redundant. According to one of the Senior Managers the company was doing around 1974 about the same amount of work with half the staff in 1986-87. So the pruning operation was badly needed.

**Diagnostic Observations from Interviews:** From the interviews and discussions with the 24 executives the following observations could be made.

(i) The general morale of the executives appeared to be low. This is mostly traceable to the events in the last few months where a number of employees were asked to leave and the Air-coolers division was closed. While several of them appear to appreciate and support the decisions to

close the Air-coolers division and removing employees some of the executives have a lurking fear that their turn may also come sometime. Job insecurity seem to haunt several of them.

(ii) It appears that when decisions are taken, they are not given enough time to implement and they get changed soon. Several executives mentioned that in the eagerness to improve things the top management may be changing decisions too fast without giving themselves enough time. There are seem to be quite a bit ad hocism perceived by the executives in the way the decisions are taken. “To-day something appears important so a decision is taken on the basis of ‘appearance’ rather than on the basis of an in-depth study and a professional approach. A few days later the decision appears to be of doubtful impact and something else appears to be better, and immediately it is changed”. This adds to the feeling of insecurity and uncertainty in the minds of employees. This also brings down their motivation.

(iii) The changes in decisions is aggravated by lack of communication and a high degree of grapevine adding to the insecurity and confusion according to some employees. Employees do not get any information about why decisions are changed and they are left to guessing. Executives would like to feel that they are a part of the company and the company is theirs. As a result of lack of communication their commitment and “we” feeling are very low.

(iv) There is no professional way of appraising the employees—particularly executives. These are considered very subjective.

**(v)** The top-management seem to think more of the short-term goals and the longest term they can think of is 6 months. Such short-term goal orientation hampers organization building and promotes ad hocism. For example, acceptance of defective raw material for fear of loss of production.

(vi) On the marketing side packaging is considered poor while the product is good. There is no formal way in which the production department gets feedback from branches.

(vii) Most executives resent too frequent changes at top level-particularly at the General Managers level. By the time a General Manager settles down and tries to find his way he is out. The next man comes out with his own policies and people down the line have to change their thinking all of a sudden, not knowing for how long. As a result, there is a high sense of instability resulting in low motivation.

(viii) The top-management and senior executives seem to spend time on small routines issues rather than concentrating on strategic plans. For example, even the finance department’s time is spent more on employee finance than company finances.

(ix) Tasks are assigned informally rather the after careful thinking and planning. Accountability is not fixed.

(x) The company has not been adding any new products. R&D’s contributions are side tracked by asking them to concentrate on small things.

(xi) People are not at the same wavelength. Due to insecurity and personalized dealings everyone tries to impress the top management rather than showing concern for work. In this process openness and frankness gets eroded. Team spirit comes down and complaints against one another increase. There is a need to bring everyone at the same wavelength through frequent communications and get together. One of the executives remarked “we need to generate a ‘May I help you’ feeling in staff. We need energy tablets and a common goal.”.

(xii) Employees are afraid to take risks for fear of failure.

(xiii) Too frequent change in systems (e.g. procurement system changes with change of hands)

(xiv) No periodic meetings (monthly or weekly) to discuss various issues.

**Q 3.** a). Describe the strengths of ACI from the interview observations **(7 marks)**

b). What recommendations would you make for the company? **(7 marks)**