



School: School of Business and Law
Program/s: MBA
Year: 2nd **Semester:** 4th
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Course Code: MGT401 **Course Name:** Organization Change and Development
Date: 18/05/2023 **Total Marks:** 40
Time: 10:00 am to 12:00noon **Total Pages:** 1

Instructions:

- Write each answer on a new page.
 → * COs=Course Outcome mapping. # BTL=Bloom's Taxonomy Level mapping

Q. No.	Details	Marks	COs*	BTL#
Q.1	Attempt any five a. Any two methods of overcoming resistance to change b. Lewin's Force Field Analysis Model c. Stages in Organization Development program d. Process Consultation as an OD method e. Total quality management as an OD method f. Coaching and mentoring as an OD method g. Weisboard's Six box Model of Diagnosis	5x5=25	CO1,2,3,4,5	BT1 BT2 BT3
Q.2	<p style="text-align: center;"><u>Sea Side Is Forced to Modernize</u></p> <p>1991 ushered in a new era for Sea Side, the mail order retailing agent. The company with a turnover of over a billion rupees was growing faster than ever before and was no longer the small, home-grown catalogue store. Located in South Kolkata, its 5,000 employees adhered to its culture and its management practices as well as the philosophy of its founder and chairman, Shantanu Das, "Take care of your people, take care of your customers, and the rest will take care of itself." In 1991, Das decided that the company needed to apply modern management practices to keep up with its growing size and complexity.</p> <p>The first step was the recruitment of a new executive vice president from competitor Mountain View, Subodh Marwah, to lead the changes. Marwah quickly made numerous changes to modernize the management systems and processes, including team-based management, numerous training programs for trainees at all levels, a new multirater evaluation system in which managers were rated by peers and subordinates as well as their supervisors, and the use</p>	7.5X2=15	CO1,2,3,4,5	BT1 BT1

of numerous consultants to provide advice. The company reworked on its mission to provide excellent products and services and to turn every customer into a friend. In addition, the company entered into a new international venture and a new business segment each year, resulting in solid businesses in the UK, Japan, and Germany. Marwah was promoted as the chief executive officer in 1993. In the continuation of the modernization efforts, he hired seven new vice presidents, including Ankit Verma as the new vice president of human resources to oversee all the changes in the employee arena. In the first two years, the changes seemed to be working as the company added 100 million rupees to its revenues and posted record profits.

However, all was not as rosy as the profit picture seemed to show. In spite of the many programmes aimed at employee welfare, training, and team building, many employees complained of always having to meet production and sales targets. The new employee performance evaluation system resulted in numerical ratings, which seemed to depersonalize relationships. No matter how many pieces she monogrammed per day, one employee felt that her work was never appreciated. Other employees complained of too many meetings necessitated by the reorganization and the cross-functional teams. One team of catalogue artists, buyers, and copywriters needed numerous meetings each week to coordinate their activities. A quality assurance manager complained that his work week had increased from 40 to 55 hours and that the meetings were taking time away from his real job. Many employees complained that they did not need to go to training programmes to learn how to take care of customers and communicate when they had been doing that all along.

The doubts grew until late 1994, when the board, led by Das decided that the new management was moving the company too far too fast and moving far away from the basic philosophies that made the company successful. On 2 December 1994, Das and the Vice Chairman Nikhil Rao asked for Marwah's resignation and fired Verma, citing lack of confidence in the direction the company was heading under the present management and the need to return to the company's basic philosophy. Mr Das then chose 34-year-old Vikash Sen as the chief executive officer to steer the company. Sen, an 11-year veteran of Sea Side (his entire working career), immediately started the about-face by dismantling most of the teams, reorganizing the others, and returning to focus on what the company excelled at previously— top-quality classic clothes and excellent customer service. Three other executives left the company shortly after Sen's appointment.

Shortly after his takeover, however, paper prices doubled, postal rates increased, and the demand for clothing dropped sharply and profits for the third-quarter dropped by 60%. As the year ended, overall profits were down to 30.6 million rupees on barely Rs 1 billion in sales and Sen had to cancel a mail order to save money. Rather than cutting quality and laying off people, Sen spent even more on increasing quality and employee benefits, such as adoption assistance and mental health referrals. His philosophy was that customers still demand quality products and those employees who feel squeezed by the company will not provide good customer service. Early results were positive, with the company's first-quarter producing profits three times as those produced the previous year.

Critics of Mr. Sen's return to basic philosophy argue that the modernization attempts were necessary to position the company for global competition and faster reaction to competition in several of its catalogue lines. Its return to growth occurred primarily in acquisition and new special catalogue lines and not in the main catalogue for which it was so famous. Mr. Sen has put further acquisition and global expansion on hold as he concentrates on the core businesses. Employees say that they have fewer meetings and more time to do their work.

Based on the above case study answer the following questions.

1. How would you characterize the two sets of changes made at Sea Side? Which set of change is really modernization and why?
2. Given an opportunity what all OD processes you will fadopt in bringing about the change ?