

**K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,**  
**Vidyavihar, Mumbai- 400077**

**Program: MHRDM (Batch2017-20), Semester-IV**  
**Learning Organization and Organization Development**

**Maximum Marks: 50**

**Duration: 3 hours**

**Date: 11/04/ 2019**

**Instructions**

- 1. Attempt all questions**
- 2. Do not attempt any extra questions they may not be marked.**

**QUESTION 1** (10 Marks)

**Case Study of General Motors**

**Change Management at General Motor (Gm)** General motor established in 1908. that time the company was the sole carmaker dealer in the region, e.g. Michigan, first it was a holding Buick company, till 1920 it was becoming the world largest motor manufacturing company, the company got a tremendous success in time of Alfred salon, due to his leadership the company was producing new style and design car every year, and he had given such concept to the company. The other brand of the company is Chevrolet, Pontiac, Buick, and Cadillac. These were the different brand cars which were producing by company that time, and this way there were no other competitors to compete in the company different cars. But with emerging of the japans automakers the company felt threatened, specially the emerging of Toyota Japan, who with great extent disturbed the profitability of the GM, especially in the North American market. In 2001 the sale graph of the GM was in declined trend, because the Toyota had captured the market, this way the GM received loan form American government and Canadian government to support the company in that crises period. During 2009 the company had faced a bankruptcy and had closed several brand and sold out to china based company. Now the company again got his position in market by restructuring and making change in the company. Now the company is again operating business in the core brands in America such as Chevrolet, GMC, Buick, and Cadillac.

**Reason and Forces for Change of Gm** The reason and forces behind the change in GM

1) **External Forces.** In external forces the GM which was greatly affected by the japans based company Toyota was the emerged competitors in that time, the north America is still the biggest market place for GM where the company sold out in recent year round about 2.9 million and the nearest competitor is Toyota and china based companies, these competitors with great extent disturbed the total profitability of the general motor, and the second external forces which the company faced a huge problem was financial crises which with great extent collapsed the cash flows of the company.

2) **Internal Forces.** The another force for change to GM was the high wages cost to employees as the company was paying \$74 per hour as compared to Toyota \$44 per hour, because GM was an agreement with trade union. And the GM was compelled to run the plant with minimum 80% capacity whether it was needed or not, these things play an important role in the bankruptcy of

the company.

**A. Types of Changes** By keeping in view the above discussion the company ultimately decided to bring or make change in the company, so the company decided to bring changes on some areas of the business, these were included, structural change, cost change, process change and cultural change

**B. Change Management Process of General Motor.** While going on change management the GM, the company took some steps to prioritize changes 1) **Cost Cutting.** The first steps which was taken by the GM is about cost cutting, the company has reduced its cost of some brands to maintain the profit level, such as the Saturn and Hammer, by keeping the other company cost. Similarly the company also cut pay of employees which was the major problem to company. The company has achieved the target of cost cutting up to 15 billion in recent year. 2) **Cultural Change** The general motor also changed the culture of the company, the GM removed its automotive product board, and automotive strategy up to 8 men board decision making team which were responsible to report directly to CEO. The main objective of such change is to speed up the day to day decision making process. The GM also changed the culture to improve the efficiency of the employees and make accountable and responsible one.

**C. Problems to Change Process** In change management process the GM faced a variety of problems 1) **Problems in Cultural Change** The cultural plan was based on top down approach, which ignored totally the involvement of the employees as compared to other companies, some suggested that the company has not down top approach, in which employees feel satisfaction, so this regard the company empowered the employees by introducing in tailoring the down top approach. Rather than merely telling to employees what they do. 2) **Problem with Cost Cutting** As the cost cutting has an important place in the change management but it was faced great problem from the agreement of trade union, as the company was an agreement with not lowering the pay of the employees and maintain the capacity level.

**D. Results of the Change Process** GM had adopted changes previously but these changes are recently adopted by the company in the year 2009. The results of the changes are as under. 1) **Result of Cost Cutting** The result of cost cutting of GM seems from its employment figure of 1998 to 2009, it was reduced from 226000 to 101000 workers, and now the company is concentrating on sale rather than to further cut off, and also the company is deciding to reduce the worked force of the factory from 60000 to 40000. And it will certainly lead to cost saving to the company. 2) **Result of Cultural Change** The general motor had also achieved good result from cultural change, and the employees now becoming aware about the responsibility and accountability, as well as the company also empowered the employees to give better productivity.

**E. Effectiveness of the Change Strategies** General motor adopted two main strategies for change management, recently one was cost cutting strategy for change management and other was cultural change management strategy, the company adopted two other change strategies but these are the most recent, by developing such strategies the company has achieved its market shares in north America again, as the company was threatened by the emerging of competitors in the automakers industry but the company decided to bring changes and now the company again in better position and he again maintained the brand of core products, beside of these the company also achieved the cost benefits by implementing these change strategies in the company

- I. As an OD consultant what advice would you give to General Motors to enable them to have a agile workforce and adaptable problem solving mechanism to help GM achieve its goals. What are the skills necessary for GM employees to be ahead of its competitors?**
- II. What OD interventions would be appropriate for GM in the long run to sustain and excel itself?**

**QUESTION 2** Any three = (20 Marks)

- (a) The role of an OD consultant is based on trust and is a hallmark of the success of an intervention in an organization. Explain.
- (b) Describe the methods for diagnosing and collecting data. Evaluate them on their effectiveness and utility.
- (c) Explain the process of designing OD interventions and the role of significant others in the factors that contribute to it.
- (d) Large-group interventions or LSIP is important facet of change management process and is used in systemic changes and organizational transformation. Discuss.

**QUESTION 3**(20 Marks)

- a. What according to Yeo are the stages of Learning as per the article revisiting the roots of learning organization?
- b. The more transformational the leadership style, the higher the level of organizational learning capability. Explain based on the article Antecedents of Organizational Learning –A Conceptual Framework by Chau.

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