Eastern University, Sri Lanka

Faculty of Commerce and Management

Third Year Second Semester Examination in Bachelor of Business Administration Honours – 2021/2022

[August/September 2024] (Proper/Repeat)

HRM 3043 Organizational Change and Development

Answer All Five (05) Questions.   **Time: Three Hours**

Q1) Read the following Case Study and answer the questions given below.

Google's Organizational Development and Change

There have been very few companies in the world's history that have had as profound an impact on human life in such a short period of time as Google. In the past eighteen years, Google has grown from a two-man start-up based in a garage to a worldwide tech conglomerate with over 57,000 employees in forty different countries, and around $90 billion in revenues. This kind of growth seems unsustainable. However, Google has shown the world that all it really takes is a tireless dedication to corporate adaptability and a complete commitment to smooth organizational change and development. Over the course of its life, Google has displayed these attributes excellently through its structural interventions, in terms of altering its rewards systems, changing its culture, and reorganizing the structure itself through job design and division of labor. The tech industry is, by far, the most competitive industry on the planet right now. Tens of thousands of highly qualified candidates from around the world are constantly competing for an opportunity to work at Google. Google not only has greater prestige and growth opportunities than other tech companies, but it also has some of the best, if not the best, compensation packages in the world with entry-level employees earning six-figure salaries right off the bat.

In one instance, a Google software engineer was offered a $500,000 salary to leave Google and work for a tech start-up in Silicon Valley, but he turned it down because at Google he was being paid a salary worth $3 million! Additionally, around the world, Google is known for providing some of the best accommodation allowances in the industry. Thousands of employees have moved from country to country working for the Google brand across the globe and the company has vowed to make this a stress-free activity by essentially paying for all of it. This is one of Google's best offerings to prospective employees in almost every corner of the planet. However, this remuneration philosophy has proven to be, surprisingly, ineffective in the southernmost regions of the Middle East, particularly the United Arab Emirates. According to

Marc Schoenen, who himself has moved from the headquarters in California to the United Kingdom and travels frequently, "We try to have a globally consistent model, but it wasn't working in Dubai, so we changed it. Situations like this highlight ongoing discussions about global uniformity and local customization." In order to gain a competitive advantage in the recruiting space in Dubai, Google needed to change how they compensated their employees completely.

After much deliberation, Google decided that the right strategy for moving forward was to pay their employees "unfairly," as some have called it, when in reality employees' compensation is entirely based on the impact they have on the organization. This means that, potentially, lower-level employees could earn more than senior employees. "There have been situations where one person received a stock award of $10,000 and another working in the same area received $1,000,000. This isn't the norm, but the range of rewards at almost any level can easily vary by 300 percent to 500 percent, and even then, there is plenty of room for outliers," says Lazlo Bock, Google's Senior Vice President of People Operations.

In the highly competitive tech industry, paying star employees above the average is the only way to ward off competitors such as Uber, Facebook, LinkedIn, and Twitter. Similarly, in the film and sports industries, it simply makes sense to pay top performers top dollars. Schoenen argues, "We believe you can apply the same sports structure to engineering, coding, and legal expertise. If you have the right metrics, you can identify star performers in every function. It might only be three people out of one thousand, but these are the people driving your organization and you need to appreciate them." The strategy Google implemented in Dubai is a fantastic example of how important it is to adapt the ways that employees are rewarded to the times. Google identified that, in its competitive industry, allowing competition to continue to thrive within the workplace is what drives maximum output in Dubai. The structure of the employee rewards was altered and now Google is reaping the benefits of its own adaptability.

One of Google's more well-known initiatives is that of its workplace culture. Walking into Google's headquarters to see the swings dangling from the ceilings and beanbags on the floors might make one question if they are actually looking at a Fortune 100 company, but they would be mistaken if they came to any other conclusion. Google identified a very interesting opportunity to be different from every single one of their competitors simply by changing their culture. Years ago, Google set out on a mission to have its various offices and campuses around the globe "reflect the company's overarching philosophy, which is nothing less than 'to create the happiest, most productive workplace in the world', according to a Google spokesman, Jordan Newman." Google's mission was and still is inherently in the favor of every single one of its employees so when this change was implemented there was almost no resistance to it.

Oftentimes, widespread organizational change comes with a significant amount of resistance from employees who are accustomed to the status quo. This status quo can lead to what is called structural inertia which makes the process of changing a huge pain for companies. Google was able to steer clear of this barricade by implementing new changes every day, effectively forcing the employees to adapt. That may seem like a very aggressive strategy, however, when you are pushing to make your culture more playful and relaxing by bringing puppies into work and buying thousands of bean bags for your employees, there isn't much pushback from the start. More recently, Google has undergone even more change following a decision to restructure its many components into a series of companies under a new umbrella corporation called Alphabet.

Organizational development, change, and structure are often a very grueling process for even the most successful companies. Yet, Google has mastered the art of organizational development by integrating a philosophy of adaptability that has become second nature to its workforce as it has swept through all of the silos in the company. Especially in the competitive tech industry, companies like Google must continue to be both agile and adaptive to deal with the pressure of continual change and development.

Case Study Questions

a. *Why* do companies often run into resistance when trying to implement new organizational development and changes? **(06 Marks)**

b. *Formulate* the strategies Google can follow for dealing with the resistance to change. **(06 Marks)**

c. Consider the restructuring that has happened at Google with the new umbrella corporation Alphabet. Based on what you've learned about organizational structures, *investigate* challenges that might come with the structure change. **(08 Marks)**

(Total 20 Marks)

Q2)

a. *Define* the term organizational development (OD) and *explain* how it differs from organizational change (OC). **(06 Marks)**

b. *Discuss* how Lewin's change model can be used to initiate and carry out successful organizational change. **(06 Marks)**

c. *"Although adherence to statements of ethics helps prevent the occurrence of ethical problems, OD practitioners still encounter ethical dilemmas".*
   Analyze the ethical dilemmas commonly encountered in the practice of organizational development. **(08 Marks)**

(Total 20 Marks)

Q3)

   a. *Briefly describe* the three key areas addressed in terms of contracting between the OD practitioner and the client. **(06 Marks)**

   b. *Demonstrate* the use of force-field analysis for summarizing diagnostic data in qualitative terms using an example of your choice. **(06 Marks)**

   c. *"Although the use of survey feedback is widespread in contemporary organizations, the limits and risks have also been identified".*

   Examine the limitations of survey feedback. **(08 Marks)**

(Total 20 Marks)

Q4)

   a. *Describe* how implementation feedback and evaluation feedback can be utilized to assess the effectiveness of OD interventions. **(04 Marks)**

   b. *Briefly explain* the process of downsizing the organizations and *appraise* how valid downsizing firms is in the face of the current crisis. **(06 Marks)**

   c. *Differentiate* how performance appraisal .elements differ across the traditional approaches and high-involvement approaches. **(05 marks)**

   d. *Provide* a brief explanation of continuous change interventions within the context of strategic-level organizational development and change initiatives.

(05 Marks)

(Total 20 Marks)

Q5)

   a. *Choose the most appropriate answer from the options given below (Write the letter of your chosen answer in the answer script).*

      1. Which of the following is true?

         a. OD and change management both address the effective implementation of unplanned change.

         b. Change management supports values of human potential, participation, and development.

         c. Change management concerns with the transfer of knowledge and skills.

         d. OD involves change management but change management may not involve OD.

      2. A scientific approach for studying and solving organizational issues experienced by an organization is called

         a. action research

         b. applied research

c. pure research

d. None of the above

3. Which of the following methods is adopted when there is a high uncertainty in the external environment?

    a. Contingency approach

    b. System design approach

    c. Data-driven approach

    d. None of the above

4. Anxiety, inertia, cultures, and contractual obligations can all contribute to what?

    a. Triggers for change

    b. Resistance to change

    c. Metaphors for the nature of an organization

    d. Chaos theory

5. An important aspect of selecting a change agent is

    a. A person who has skills to address human aspects

    b. A person who is an employee of the organization

    c. A consultant

    d. Any of the above

6. Which of the following is NOT required in an organizational development intervention programme on team building?

    a. Self-feedback

    b. Leadership development

    c. Goal setting

    d. Clarification of roles

7. An advantage of using an external consultant for an organizational development program:

    a. Access to and relationships with clients.

    b. Advantages of selecting clients according to their own criteria.

    c. Have insights into the root cause of many of its problems.

    d. Know the language of the organization.

8. Knowledge that is written down in the form of instructions is a form of what?

    a. Tacit knowledge

    b. Explicit knowledge

    c. Embodied knowledge

    d. Deep knowledge

9. The degree to which a manager feels that his or her job is "meaningful" because of the way in which the job affects other people is known as:
    a. skill variety
    b. feedback
    c. autonomy
    d. task significance

10. The strength of the matrix structure is its:
    a. low economies of scale.
    b. ability to facilitate co-ordination.
    c. advantage of unity of command.
    d. adherence to the chain of command.

(10 x 1 = 10 Marks)

b. *Write the short answer(s) to the following questions.*

1. *List out* the two features of the technological core that influence other design components of OD interventions. **(02 Marks)**

2. *Indicate* the two issues addressed in the sampling of the organizational development process. **(02 Marks)**

3. *State* the three types of change programs included in the human process interventions. **(03 Marks)**

4. *List out* the two parts of a compelling vision. **(02 Marks)**

5. *Indicate* the term used to refer to the fundamental rethinking and radical redesign of business processes to achieve dramatic performance improvements.

(01 Mark)

(Total 20 Marks)