



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF MANAGEMENT SCIENCES

DEPARTMENT OF MANAGEMENT

QUALIFICATION: BACHELOR OF HUMAN RESOURCES MANAGEMENT	
QUALIFICATION CODE: 07BHRM	LEVEL: 7
COURSE CODE ODC711S	COURSE NAME: ORGANISATIONAL DEVELOPMENT AND CHANGE
SESSION: JULY 2019	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

SECOND OPPORTUNITY QUESTION PAPER	
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INSTRUCTIONS
1. Write clearly and neatly. 2. All questions are compulsory

THIS QUESTION PAPER CONSISTS OF 4 PAGES (Including this front page)

SECTION A

QUESTION 1 – CASE STUDY (18 MARKS)

CASE: THE DIM LIGHTING COMPANY

The Dim Lighting company is a subsidiary of a major producer of electric products. Each subsidiary operates as a profit centre and reports to regional, group, and product vice-presidents at corporate headquarters. The Dim Lighting subsidiary produces electric lamps and employs about 2000 workers. The general manager is Jim West, He holds an MBA from Tri State University and has been running this subsidiary successfully for the past 5 years. However, last year the division failed to realise its operating targets, and profit margins dropped by 15 percent. In developing next year's budget and profit plan, Jim West feels that he is under pressure to have a good year because two bad years in a row might hurt his long –term potential for advancement.

Mr. Spinks – Director of R&D

Spinks has submitted a budget request for a major research project, the micro miniaturisation of lighting sources so as to greatly reduce energy requirements. He sees this as the lamp of the future, and if successful, it would be the successor to LED lights. The proposed budget would require \$1.2 million per year for two years, plus another \$500 000 to begin production. Jim West immediately contacted corporate headquarters, and although top management praised the idea, they were reluctant to spend on the proposed project. Spinks feels the project has a 70 % chance of success. Profits should increase by 20 % each year for the fourth through eight years. Beginning of the ninth year, profits will likely hold steady at around \$ 3 million and then decline as new competitive products enter the market.

The Budget Meeting

West called a meeting with his management group on Wednesday morning to discuss the proposed budget. Spinks presented a well-reasoned and high-powered sales pitch for his project. He suggested that the energy crunch had long-term implications and if they failed to move into new technologies, the company would be competitively obsolete. Carol Preston, accountant, presented a financial analysis of the proposed project, noting the high risk, the uncertain results and the length of time before it would contribute to operating profits. Bill Boswell, production manager, agreed with Preston. "We need new machinery for our current production line also, and that has a very direct and immediate payback". Pete Newell, marketing manager, agreed with Spinks. "I do not think we can put our heads in the sand. If we do not keep up competitively, how will our salespeople be able to keep selling obsolete lighting products? A stormy debate followed, with heated arguments both for and against the project, until West called the meeting to a halt.

Later, thinking it over in his office, West considered the situation. Going ahead with the project was a big gamble. He realised that the long –term success for the company required new product lines such as this project. But such projects would require capital from corporate headquarters, plus strain the needs of current products at Dim Lighting.

Discuss the following:

- a) State the main problems in the case? (6)
- b) Discuss the causes of these problems? (6)
- c) Explain your recommendations to Mr West? (6)

SECTION B STRUCTURED QUESTIONS (82 MARKS)

QUESTION 2

- 2.1 Socialisation refers to the process of adapting new employees to an organisation's culture. Explain how the socialization process of a new employee in the organisation takes place (8)
- 2.2 An organisation consists of five sub-systems. Discuss these subsystems in detail. (10)
- 2.3 Differentiate between the different types of OD practitioners. (13)
- 2.4 Explain the OD values that can guide OD practitioners in dealing with employees during the implementation of change (10)
- 2.5 Driving forces refer to anything that increases the need for a change program. Discuss the forces that help to create a need for a change program. (12)
- 2.6 Inappropriate OD interventions are costly and can result in the failure of change efforts. Discuss the warning signs that OD practitioners should be aware of. (12)
- 2.7 For any MBO process to succeed it is important that top management is committed to and involved in the process. Explain the five MBO steps as well as the criticisms of it (17)

THE END