VPM's
DR VN BRIMS, Thane
Programme: PGDM (2014-16)
Fourth Trimester (HR) Examination September 2015

Subject	**Leadership, influence and Power**		
Roll No.		**Marks**	**60 Marks**
Total No. of Questions	**7**	**Duration**	**3 Hours**
Total No. of printed pages		**Date**	**25.09.2015**

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory):
Read the case study and comment on the following:

In 1998, the 114 year old ayurvedic and pharmaceutical products major Dabur found itself at the crossroads. In the fiscal 1998, 75% of Dabur's turnover had come from fast moving consumer goods (FMCGs). Buoyed by this, the Burman family (promoters and owners of a majority stake in Dabur) formulated a new vision in 1999 with an aim to make Dabur India's best FMCG company by 2004. In the same year, Dabur revealed plans to increase the group turnover to Rs 20 billion by the year 2003-04.

To achieve the goal, Dabur benchmarked itself against other FMCG majors viz., Nestle¢, Colgate-Palmolive and P&G. Dabur found itself significantly lacking in some critical areas. While Dabur's price-to-earnings (P/E) ratio was less than 24, for most of the others it was more than 40. The net working capital of Dabur was a whopping Rs 2.2 billion whereas it was less than half of this figure for the others. There were other indicators of an inherently inefficient organization including Dabur's operating profit margins of 12% as compared to Colgate's 16% and P&G's 18%. Even the return on net worth was around 24% for Dabur as against HLL's 52% and Colgate's 34%.

The Burmans realized that major changes were needed on all organizational fronts. However, media reports questioned the company's capability to shake-off its family-oriented work culture.

Dabur's restructuring efforts began in April 1997, when the company hired consultants McKinsey & Co. at a cost of Rs 80 million. McKinsey's three-fold recommendations were: to concentrate on a few businesses; to improve the supply chain and procurement processes and to reorganize the appraisal and compensation systems. Following these recommendations, many radical changes were introduced. The most important was the Burmans' decision to take a back seat. The day to day management was handed over to a group of professional managers for the first time in Dabur's history, while the promoters confined themselves to strategic decision making.

Dabut decided to revamp the organizational structure and appoint a CEO to head the management. All business unit heads and functional heads were to report directly to the CEO.

In November 1998, Dabur appointed Ninu Khanna as the CEO. The appointment was the first incident of an outside professional being appointed after the restructuring was put in place. Ninu Khanna, who had previously worked with Procter & Gamble and Colgate-Palmolive, was roped in to give Dabur the much-needed FMCG focus. Dabut had also appointed Cadbury India's Deepak Sethi as Vice President - Sales and Marketing - Health Care Products division; Godrej Pilsbury's Ravi Sivaraman as Vice President - Finance and ABB's Yogi Sriram as Vice President - HRD.

Dabur made performance appraisals more objective by including many more measureable criteria. Concepts such as customer satisfaction, increased sales and reduced costs, cycle-time efficiency, return on investment and shareholder value were all introduced as yardsticks for performance appraisals. Harish Tandon, general manager, HR, Dabur remarked, "Now Dabur is working towards making compensation more performance-oriented, and the performance evaluation system is being worked on. Today, performance in terms of target achievement is the main factor followed by other criteria such as sincerity and longevity of service." The focus of appraisals thus shifted to what a person had achieved, as much as on what he was capable of.

Dabur's employee friendly initiatives included annual sales conferences at places like Mauritius and Kathmandu. These conferences, attended by over a hundred sales executives of the company, combined both 'work-and-play' aspects for better employee morale and performance. Dabur also gave cash incentives to junior level sales officers and representatives upon successful achievement of targets. Employees were also allowed to club their leaves and enjoy a vacation.

The year was a milestone in Dabur's history as the company crossed the Rs 10 billion mark in sales turnover for the first time. Dabur's profits also increased by 53% from 501 million to Rs 770 million.

- **a)** “Changing the structure is effective way to consolidate power” Explain the statement with the example of Dabur. (10 Marks)
- **b)** Explain the recommendations given by Mckinsey and co for restructuring the business of Dabur. (5 marks)
- **c)** Explain Moral leadership initiatives taken by Dabur over competitors. (5 Marks)

Attempt Any FOUR from the Remaining SIX Questions

Q2) ***Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks***

- **a)** Explain the process of Decision implementation.
- **b)** Where does power come from?
- **c)** Explain New Golden Rule with example

Q3) ***Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks***

- **a)** Explain the qualities of the leader
- **b)** Write a note on location in communication network
- **c)** Explain the principle of psychological commitment

Q4) ***Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks***

- **a)** Explain Individual attributes as a source of power
- **b)** Write a note on framing
- **c)** What is contrast? Explain with relevant example

Q5) ***Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks***

- **a)** Explain the Power Dynamics with example
- **b)** Explain the effect of formal authority
- **c)** What is framing. Give relevant examples

Q6) ***Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks***

a) Write a note on Managing political dynamics
b) Explain how can we use information to play organizational politics
c) Write a note on Managing with power

Q7) ***Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks***

a) Note on: importance of being in right unit
b) Explain the effect of interpersonal influence.
c) Explain how performance affects the political hemisphere in organization.