

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2023-25)
END TERM EXAMINATION (TERM -V)

Subject Name: **Ethics and Human Values in Sustainable Business Practices** Time: **02.00 hrs**
Sub. Code: **PG52** Max Marks: **40**

Note: All questions are compulsory. Section A carries 12 marks: 6 questions of 2 marks each, Section B carries 18 marks having 3 questions (with internal choice question in each) of 6 marks each and Section C carries 10 marks one Case Study having 2 questions of 5 marks each.

<u>SECTION - A</u>		
Attempt all questions. All questions are compulsory.		2×6 = 12 Marks
Questions	CO	Bloom's Level
Q. 1 1 (A) Give a few examples of material culture? 1 (B) "Value is the basic element of any culture." Comment 1© Can we bring changes in culture through changes in values? 1 (D) Give a few examples of subculture? 1 (E) What are the challenges in aligning personal values with the sustainability goals of a larger organization or society? 1(F) Give any two examples of "Power distance culture"?	1 2	1 & 2 3
<u>SECTION – B</u>		
All questions are compulsory (Each question has an internal choice. Attempt anyone (either A or B) from the internal choice)		6 x 3 = 18 Marks
Questions	CO	Bloom's Level
Q. 2: (A). Should sustainability goals be explicitly integrated into executive performance metrics? Or Q. 2: (B). How well does the company culture reflect the values of sustainability, such as environmental stewardship and social responsibility?	CO2	3
Q. 3: (A). Are there established norms and behaviors that support sustainable practices within teams? Or Q. 3: (B). How clearly does leadership communicate the company's sustainability vision and values?	CO3	4
Q. 4: (A). As a student, write six sustainability practices, which can be started in our premises? Or Q. 4: (B). How do You Ensure Corporate Governance Structures Support and Enhance the Organization's Sustainability Efforts?	CO4	5

SECTION - C

Read the case and answer the questions

5×02 = 10 Marks ss

Questions	CO	Bloom's Level
Q. 5: Case Study Background of IKEA Established as a small Swedish furniture store in 1943 by Ingvar Kamprad, IKEA has grown into a global retail powerhouse with a profound vision to improve the lives of its diverse stakeholders. The name "IKEA" is an acronym derived from Kamprad's initials and the first letters of the farm and village of his upbringing: Elmtaryd and Agunnaryd, respectively. Emphasizing consumer welfare, the company is dedicated to offering high-quality products at affordable prices without compromising the interests of other stakeholders, including employees and vendors. As of 2015, the company was the world's largest furniture retailer, with a net profit of 3.5 billion Euros from total sales of 31.9 billion Euros. Today, IKEA remains a venerated global retailer, with a presence in 47 countries encompassing over 365 stores. This enduring success can be attributed to IKEA's masterful utilization of market segmentation strategies, which has earned it acclaim for its well-designed furniture, exuding the distinctive allure of Scandinavian aesthetics at budget-friendly rates. Challenges From a supply chain perspective, IKEA faces the challenge of minimizing costs while maintaining product quality. Relying solely on low-cost manufacturing hubs like China and India proves challenging due to significant transportation costs to European markets and disparities in design expertise. Thus, IKEA must strike a balance between low-cost manufacturing and competent vendors. Moreover, the rising consumer preference for sustainability necessitates cost-effective integration of sustainability across the supply chain, from sourcing to the product life cycle. Modular design approaches and repair, reuse, and recycle programs emerge as potential solutions. Regarding innovation, IKEA's strategic store locations strike a balance between customer access and proximity to distribution centers. However, with changing consumer behavior and the increasing reliance on technologies such as VR and AR, IKEA must evaluate the effectiveness of its current store designs against competitors employing cost-effective AR and VR solutions to enhance the customer experience. Today, almost half of the customers who visit furniture stores use their smartphones to gather information before their visit (Rangaswamy, Nawaz & Changzhuang, 2022). This suggests that customers tend to switch between different sources of information. A proactive approach of redesigning warehouses, stores, and experience centers to cater to evolving customer needs becomes imperative. Expanding into new markets presents challenges for large organizations like IKEA, as differences in language, culture, and legal requirements can hinder seamless operations (Etukudoh & Joe, 2019). Despite its culture of openness and effective communication, IKEA's organizational culture remains deeply influenced by its Swedish roots, potentially limiting its ability to cater to diverse cultural preferences of global consumers. Potential Solutions In the following proposed solutions, seemingly disparate ideas are intentionally interconnected, highlighting their alignment with a strategic theme. It is crucial to recognize that strategic theme being explored here is, cost-efficiency through innovation.	4	5

1. Organizational Culture The cultural roots of IKEA, deeply influenced by its Swedish origins and the region of Småland in southern Sweden, imbue the company with values of strong work ethic, community support, and a close connection with nature (Ericsson, 2018). This organizational culture, characterized by enthusiasm, unity, and a determined spirit, serves as a catalyst for efficiency and employee satisfaction. However, to further empower IKEA towards innovative and cost-effective solutions, fostering an inclusive culture becomes imperative. An inclusive culture leverages emotional maturity and personal growth to enhance organizational capabilities and gain a competitive edge (Oshiotse & O'Leary, 2007). Chaudhry, Paquibut, and Tunio (2021) assert that actively recruiting employees with diverse inherent traits (such as ethnicity, gender, language, religion, and abilities) and acquired traits (such as educational background, marital background, and work experiences) enables companies to outperform and out-innovate their counterparts. Given the strategic direction of cost-efficiency through innovation, IKEA must incorporate inclusivity metrics into every facet of its organization. This entails hiring individuals based on behavioral competencies in addition to technical competencies and fostering a culture that promotes and encourages inclusivity throughout the organization. By embracing inclusivity and diversity, IKEA can unlock a wealth of innovative solutions to address its multifaceted challenges, including those related to costs. The subsequent section explores a modular design approach for IKEA, exemplifying the interconnectedness of the proposed solutions. This approach enables IKEA to design furniture that caters to multiple cultural contexts by leveraging modular components and minimizing the number of new parts per design. 2. Sustainable Supply Chain (Circular Business Model) Circular business models are gaining traction, necessitating a shift in mindset and the adoption of strategies that promote product longevity and circulation. The aftermarket plays a pivotal role in a circular economy, enabling companies to create value through additional services and spare parts. Design strategies focused on extended use and multiple use-cycles facilitate the transition to a circular business model (Malmgren & Larsson, 2020). A modular design approach offers benefits in terms of reduced part variety and improved logistics planning. By creating standardized design elements, IKEA can effectively manage demand across their reuse, repair, and refurbishment departments, while minimizing costs associated with the use of modular parts. Engaging manufacturers in low-cost hubs like China for producing modular design elements further enhances cost-effectiveness. To overcome potential limitations of modular design, a blockchain-enabled solution can be introduced, allowing designers worldwide to contribute to IKEA's product portfolio using the modular parts. This approach reduces costs and fosters innovation by tapping into global talent. The implementation of an inclusive culture facilitates cross-cultural communication, innovation, and resource optimization. A strong quality control program is necessary to ensure designs align with IKEA's quality standards and turn the program into a prestigious brand partnership opportunity. Integrating IKEA's supply chain with blockchain technology strengthens sustainability efforts by effectively incorporating the IKEA supplier Code of		
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Conduct (IWAY) (Laurin & Fantazy, 2017). Blockchain enables cost-effective marketing of IKEA's sustainability initiatives, empowering customers to track the authenticity of sustainable products they purchase. Considering a subscription model can help IKEA address evolving consumer needs and predict return logistics demand. By leveraging Artificial Intelligence (AI) in the supply chain, IKEA can enhance demand predictability in both forward and reverse logistics. Predictive market intelligence becomes instrumental in cost optimization, particularly for organizations like IKEA, where the supply chain is a core competency (Anaplan, n.d.). Questions: Q. 5: (A). What are the core issues of the case? Q. 5: (B). In your opinion, how these core issues can be addressed?		
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COs	Question No.	Marks Allocated
CO1	1(A,B, C,D)	8
CO2	1 (E&F) & Q2	10
CO3	3	6
CO4	4	16