

**August 2015**

Master of Business Administration (MBA) Examination  
IV Semester

**Organizational Development**

Time : 3 Hours ]

[ Max. Marks : 80

**Note :** *There are two sections A and B. Section A carries 60 marks. It has seven questions, attempt any four questions. Each question carries equal marks. Section B is case study, which is compulsory and carries 20 marks.*

**Section A**

1. Define OD and discuss OD as a field of practice.
2. Discuss the evolution of Organisation Development with special emphasis on four important trunk steins of organization development history.
3. What are the basic foundations of organization development ? Discuss any three in detail.
4. What do you understand about O. D. Intervention ? Discuss in detail any two interventions from each major family of interventions.
5. What are the implications of power and politics for the practice of O. D. in an organization?
6. Given an account of range of issues you will consider as a consultant or improve professional relationship with your client.
7. Write short notes on any two of the following :
  - (a) Emerging Trends in OD.
  - (b) Organization Culture.
  - (c) Managing Change in Times of Turbulence.

**Section B**

8. Analyse the case and answer the questions given at the end :

**THE GERMANS COME TO ALABAMA**

One day in the spring of 1994, two Mercedes managers participated in an Outward-Bound-type of team-building exercise in the Austrian Alps. This exercise was just one of their boss's, Andreas Rensehler, ideas on how to shake up the culture at Mercedes-Benz.

Rensehler is the fast-rising executive who is overseeing the development of Mercedes's first mass-market sport-utility vehicle (the All Activity Vehicle or AAV), which will be produced at the company's first big

foreign plant in Vance, Alabama. As president of Mercedes-Benz U. S. International Inc., Renschler is trying to bring to the company's U. S. operations what his bosses are trying to do in Germany - to transform the once ponderous luxury car maker into an efficient worldwide competitor.

Renschler's relative youth — he's in his late 30s - was a major reason he was selected for this job. He's not steeped in the Mercedes culture, where costs have always been sublimated to engineering excellence. In his six years with the company, and assistant to the CEO, he helped plan the current corporate turnaround and became known as a creative problem solver and idea generator. He also planned strategies for light trucks in Europe and Latin America and ran the feasibility study for the AAV. But he has a tough job ahead of him. While Japanese transplants typically copy plants back home and assemble existing models at first, Renschler will have to simultaneously debug a product, a manufacturing process, and a workforce. "It's a prescription for disaster" says one manufacturing consultant. "There are too many variables."

As part of a plan to adapt the best operating techniques of other companies, Renschler has hired managers from Chrysler, Ford, Mistubishi, Honda, Nissan, Toyota, Saturn, Subaru, and Isuzu. Unfortunately, their diverse backgrounds make it hard to mesh their styles. For instance, one Toyota alum spent Thanksgiving weekend of 1993 in an Alabama motel with a dozen German and American colleagues, debating a factory layout. German engineers wanted a sprawling E-shaped building with departments linked by complex conveyers. After endless wrangling, those with Japanese experience prevailed, and the group settled on a compact, rectangular design.

To shape his diverse group into a team, Renschler is going all out to erase Mercedes's stiff formality and encourage bonds. The team-building exercise in the Alps, for instance, was designed to help meet this objective. Renschler is also pushing changes in Mercedes's traditional product-development process. To save time and money, the AAV will have 100 primary suppliers versus 1,000 for the current E-class sedan. In addition, suppliers get a freer hand in designing parts, sometimes adapting off-the-shelf components rather than always starting from scratch as in the past. Also, rather than make suppliers bid for business

annually as Mercedes usually does, Renschler has been offering multiyear contracts in return for annual 5 percent price cuts.

Renschler's aggressive change program has won him his share of enemies within the company "Lots of people are envious" of his rise or are threatened by the changes he's pushing, says one insider, and some are quietly hoping for him to fail.

**Questions :**

1. "If it ain't broke, don't fix it." Why doesn't Renschler accept this adage?
2. Is Renschler trying to implement too much change too fast? Support your position.
3. Do you think Renschler's innovations at Vance will succeed? Explain your position.

