

July-August 2016

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. Mention the historical background of OD along with its relevance in today's competitive environment.
2. Mentioning the process of OD discuss the connection between Action Research and OD.
3. "OD consultants plays a vital role in maintaining organisational effectiveness and in facilitation of OD interventions." Comment on the statement discussing consultant- client relationship.
4. Discuss with suitable examples emerging trends of OD with special emphasis on future organisations.
5. "Change is imperative rule of life." Throw light on the importance and process of change with suitable example.
6. Elaborate the applicability of Team interventions and Inter group interventions with suitable examples.
7. Write short notes on any two of the following :
 - (a) Life Cycle and Phases of Organisational Effectiveness.
 - (b) System Ramification and Power Politics.
 - (c) Organisational Culture and its impact on Organisational Development.
 - (d) Role of Values and Ethics in Organisation.

Section B

8. Read the case carefully and answer the questions given at the end :
Evans RV Wholesale Supply and Distribution Company sells parts, equipment, and supplies for recreational vehicles - motor homes, travel trailers, campers, and similar vehicles. In addition, Evans has a service department for the repair and service of RVs. The owners, Alex Evans, bought the company

five years ago from its original owner, changed the name of the company, and has finally made it profitable, although it has been rough going. The organization is set up in three divisions : service, retail parts and supplies, and wholesale parts and supplies. Alex, the owner, CEO, and president, has a vice president for each operating division and a vice president of finance and operations. The organization chart shows these divisions and positions. In the warehouse there are three groups : receiving (checking orders for completeness, returning defective merchandise, stocking the shelves, filling orders), service parts, and order filling for outgoing shipments. The warehouse group is responsible for all activities related to parts and supplies receiving, storage, and shipping. The retail sales division includes all functions related to selling of parts and supplies at the two stores and in the mobile sales trailer. Personnel in the retail division include salespeople and cashiers. The retail salespeople also work in the warehouse because the warehouse also serves as the showroom for walk-in customers.

In the service department the service manager supervises the service writers, one scheduler, and lead mechanics and technicians. The service department includes the collision repair group at the main store and the service department at the satellite store. The collision repair group has two service writers who have special expertise in collision repair and insurance regulations. Two drivers who move RVs around the "yard" also work in the service division. The accounting and finance groups do everything related to the money side of the business, including accounts payable and receivable, cash management, and payroll. Also in this group is the one person who handles all of the traditional personnel functions.

Alex has run other small businesses and is known as a benevolent owner, always taking care of the loyal employees who work hard and are the backbone of any small business. He is also known as being real tough on anyone who loaf on the job or tries to take unfair advantage of Alex or the company. Most of the employees are either veterans of the RV industry At Evans or elsewhere, or are very young and still learning the business. Alex is working hard to develop a good work ethic among the younger employees and to keep the old-timers fully involved. Since he bought the business. Alex has instituted new, modern, employee-eentered human resource policies. However, the company is still a traditional hierarchically structured organization.

The company is located in a major metropolitan area that has a lot of potential customers for the RV business. The region has many outdoor-recreational activities and an active retirement community that either lives in RVs (motor homes, trailers, or mobile homes) or uses them for recreation. The former owner of the business specifically chose not to be in the RV sales

business, figuring that parts and service was the better end of the business. Two stores are strategically located on opposite ends of the metropolitan area, and a mobile sales office is moved around the major camping and recreational areas during the peak months of the year. When Alex bought the company, the parts and supplies business was only retail, relying on customers to walk in the door to buy something. After buying the business, Alex applied good management, marketing, and cash-management principles to get the company out of the red and into profitability. Although his was not only such business in town, it was the only one locally owned, and it had a good local following.

About two years ago, Alex recognized that the nature of the business was changing. First, he saw the large nationwide retailers moving into town. These retailers were using discount pricing in large warehouse-type stores. These large retail stores could use volume purchasing to get lower prices from manufacturers, and they had the large stores necessary to store and shelve the large inventory. Alex, with only two stores, was unable to get such low prices from manufacturers. He also noted that retired people were notorious for shopping around for the lowest prices, but they also appreciated good, friendly customer service. People interested in recreational items also seemed to be following the national trend to shop via catalogs.

So for a variety of reasons Alex began to develop a wholesale business by becoming a wholesale distributor to the many RV parts and supply businesses in the small towns located in the recreational areas around that state and in surrounding states. At the same time, he created the first catalog for RV parts and supplies, featuring all the brand-name parts and supplies by category and supplier. The catalog had a very attractive camping scene on the cover, a combination of attractively displayed items and many pages full of all the possible parts and supplies that the RV owner could think of. Of course, he made placing an order very easy, by phone, mail, or fax, and accepted many easy payment methods. He filled both distributor orders and catalog orders from his warehouse in the main store using standard mail and parcel delivery services, charging the full delivery costs to the customers. He credits the business's survival so far to his diversification into the warehouse and catalog business through which he could directly compete with the national chains.

Although it is now barely profitable, Alex is concerned about the changes in the industry and the competition and about making the monthly payments on the \$5 million loan he got from the bank to buy the business in the first place. In addition, he reads about the latest management techniques and attends various professional conferences around the country. He has been

hearing and reading about this team-based organization idea and thinks it might be just the thing to energize his company and take it to the next level of performance and profitability. At the annual strategic planning retreat in August, Alex announced to his top management team that starting on October 1 (the beginning of the next fiscal year), the company would be changing to a team-based arrangement.

Questions:

1. What mistakes has Alex already made in developing a team-based organization?
2. If Alex were to call you in as a consultant, what would you tell him to do? Using the organization chart of Evans RV Wholesale Supply and Distribution, describe how you would put the employees together in teams.

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