

**PGDM, 2016-18**  
**Organizational Behaviour**  
**DM-105**

**Trimester – I, End-Term Examination: September 2016**

Time allowed: 2 hrs 30 min

Max Marks: 50

Roll No: \_\_\_\_\_

**Instructions:** Students are required to write Roll No. on every page of the question paper; writing anything except the Roll No. will be treated as **Unfair Means**. All other instructions on the reverse of Admit Card should be followed meticulously.

Sections	No. of Questions to attempt	Marks	Marks
A	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
B	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
C	Compulsory Case Study	15 Marks	15
		<b>Total Marks</b>	<b>50</b>

**SECTION A**

- A1. What is attribution theory? What are the three determinants of attribution? What are its implications for explaining Organizational Behaviour?
- A2. How do size, composition and cohesiveness influence the effectiveness of a team?
- A3. Explain Unplanned Change in Organizations with suitable examples.
- A4. How do leaders reinforce organizational culture? Explain with examples.
- A5. Why have Boundaryless organizations come into existence?

**SECTION B**

- B1. "Human motivation at the workplace is a dynamic concept and no single theory seems to account for it in totality." Discuss with the help of any three contemporary theories, which you consider to be useful in motivating a diverse workforce.
- B2. How do various personality attributes influence the behaviour of people in organizations? Substantiate with examples the negative repercussions of lack of person-job fit.
- B3. Why is it hard to determine if power has been used ethically? Give a suitable corporate example.

**Turn Over**

## SECTION C

**Mergers Don't Always Lead to Culture Clashes**

A lot of mergers lead to culture clashes and, ultimately, failure. So in 2005 when banking giant Bank of America (BOA) announced its \$35 billion acquisition of credit card giant MBNA, many thought that in a few years this merger would join the heap of those done in by cultural differences.

MBNA's culture was characterized by a free-wheeling, entrepreneurial spirit that was also quite secretive. MBNA employees also were accustomed to the high life. Their corporate headquarters in Wilmington, Delaware, could be described as lavish, and employees throughout the company enjoyed high salaries and generous perks – from the private golf course at its headquarters to its fleet of corporate jets and private yachts.

Bank of America, in contrast, grew by thrift. It was a low-cost, no-nonsense operation. Unlike MBNA, it believed that size and smarts were more important than speed. It was an acquisition machine that some likened to *Star Trek's* relentless Borg collective.

In short, the cultures in the two companies were very, very different. Although these cultural differences seemed a recipe for disaster, it appears, judging from the reactions of BOA and MBNA employees, that the merger has worked. How can this be?

BOA had the foresight to know which MBNA practices to attempt to change and which to keep in place. Especially critical was BOA's appreciation and respect for MBNA's culture. "On Day 1, I was directed that this was not like the ones you are used to" said Clifford Skelton, who had helped manage BOA's acquisition of FleetBoston Financial before moving on to MBNA.

To try to manage the cultural transition, executives of both the companies began by comparing thousands of practices covering everything from hiring to call-center operations. In many cases, BOA chose to keep MBNA's cultural practices in place. In other cases, BOA did impose its will on MBNA. For example, because MBNA's pay rates were well above market, many MBNA managers were forced to swallow a steep pay cut. Some MBNA employees left, but most remained.

In other cases, the cultures co-adapted. For example, MBNA's dress code was much more formal than BOA's business-casual approach. In the end, a hybrid code was adopted, where business suits were expected in the credit-card division's corporate offices and in front of clients, but business casual was the norm otherwise.

While most believe the merger has been successful, there are tensions. Some BOA managers see MBNA managers as arrogant and autocratic. Some MBNA managers see their BOA counterparts as bureaucratic.

Of course, BOA made another, more recent and much larger acquisition: Merrill Lynch. After a rough start, most evidence suggests this mega-merger saved Merrill from bankruptcy and appears to be working well, which might suggest that BOA has found the secret to successful mega-mergers.

- C1. In what ways were the cultures of Bank of America and MBNA incompatible? (5 marks)
- C2. Do you think culture is important to the success of a merger / acquisition? Why or why not? (5 marks)
- C3. How much of the smooth transition, if any, do you think comes from both companies glossing over real differences in an effort to make the merger work? (5 marks)

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