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Program: MMM – I Sem.(2017-20 Batch)
Subject: Organizational Behaviour
(End Term Examination)

Maximum Marks: 25
2017

Duration: 1.5 hours

Date: 24th November,

Instructions

Total 6 questions in the question paper, Q. 1 is compulsory. (Carry 10 marks)
Attempt any 3 out of remaining 5 questions. (Each carry 5 marks)
You can make assumptions in case need be.

Q1 Case Study

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 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.

Questions

1. In what ways were the cultures of Bank of America and MBNA incompatible?
2. Why do you think their cultures appeared to mesh rather than clash?
3. Do you think culture is important to the success of a merger/acquisition? Why or why not?
4. 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?

Q.2 What is personality, what are the factors determine personality, how do you measure personality?

OR

Q.2 What do you think is more likely to lead to success on a job: a good ability-job fit or personality-organization fit? Explain.

Q.3 What is motivation, what are the three key elements of motivation? Explain any one theory of motivation and how applicable it is in today's organizational scenario.

OR

Q.3 Describe the attribution process and two perceptual errors.

Q.4 What is the difference between groups and teams, what are the five stages of group development? What conditions or context factors determines whether teams are effective?

OR

Q.4 "Happy employees create happy customers." Discuss

Q5 What is Fiedler's contingency model? Has it been supported in research?

OR

Q.5 People in a particular South American country have high power distance and high collectivism. What does this mean, and what are the implications of this information when you (a senior executive) visit employees working for your company in that country?

Q6 Write short note on any 1 of the following.

- a. Outline the conflict process
- b. Job Related attitudes
