

VPM's
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Programme: MMS (2015-17)
First Semester Examination December 2015

Subject	Organizational Behavior		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages		Date	18.12.2015

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) *KEEPING THINGS ORGANIC AT BEN & JERRY'S* 20 Marks

In the summer of 1978, Ben Cohen and Jerry Greenfield opened an ice cream parlor in a renovated Burlington, Vermont, gas station. Their goal was to make and sell super-premium ice cream and have fun doing it. During the next 10 yrs, Ben & Jerry's Home made Company grew into \$ 45-million a year company with 150 employees. Along the way, however, Ben Cohen has become afraid that the company has lost, or at least is losing; it's unique culture- with its emphasis on fun, charity and goodwill towards fellow workers up and down the line. Ben has begun to wonder whether his firm can be true to its founders vision of a company that is genuinely sensitive to the needs of its employees and the community while, at the same time, pursuing rapid internal growth.

Ben & Jerry's began as more than just a "profit-making venture." It authentically wanted to act as a force for social change. Ben & Jerry were going to show other people that you could run a business differently from the way most businesses were run. For example, managers would wear jeans & T-shirts, and no executive would be allowed to earn more than 5 times what the lowest paid employee made. They would hire the handicapped. They would provide free therapy session to any employee. They'd stop production so every employee could participate in monthly staff meeting, and they would rely on all employees' to participate in company decision making. They would also donate 7.5% of the company's pretax income to socially responsible community causes. And they would create a work environment that was joyful- where people who like each other could work hard & have fun at the same time.

Between 1978 and 1986, the company doubled its size each year. In 1987 & 1988, growth "slowed" to a still-healthy 40% a year. The company recognized that growth was necessary if the firm was to survive. The market for super-premium ice cream was maturing in the mid- 1980's and there was a host of new competitors. The company had to grow to retain its position on supermarkets shelves. Another significant factor contributing to Ben & Jerry's growth, strategy

was the decision, in 1985, to take the company public & sell stock in order to build a new factory with greater capacity. Consistent with the company's community focus, they offered the first shares only to Vermonters, therefore making the community the real owners of the company. Not only did Ben & Jerry's now have stock holders to worry about, but their stock holders were their friends & neighbors. To be socially responsible, they concluded, now meant that the company had to grow.

By 1988, Ben Cohen wasn't sure whether growth was compatible with his company's original mission. All he had to do was look around his new plant and offices in his head quarters in Waterbury, Vermont, and see the changes that had taken place. They had a chief operating officer with an MBA. There were cost controls, departments, and memos. Product introduction now took much more effort than they used to and required numerous approvals. Some company managers were wearing ties. While production still stopped for

the monthly staff meetings, they were no longer vehicles for two-way communication but, rather, a one-way affair with management telling employees what was happening. Employees also talk about the stress of meeting production goals. On one occasion, work load pressure got so great that the Jerry actually hired a person who would come in and give workers massages during their breaks.

Ben also knew the fact that growth had brought dissatisfaction. What was once a small group of employees who were like family was becoming an impersonal, and maybe even inefficient, organization. Employees were no longer part of every decision made. Departments were duplicating work. Communications broke down. Employee's, for example found out about the company's new Springfield, Vermont, plant from news paper accounts. Even the company's most visible symbol- the 5:1 salary ratio- was under attack. The highest possible salary in 1988 was \$ 84,240. Consistent with Ben & Jerry's original philosophy, if managers wanted more money, they would first have to raise the lowest salaries. But the Director of sales is now complaining that he is making only 60-70% of what he had make elsewhere and the chief operating officer says that this policy is making recruiting difficult.

QUESTIONS:

- 1) Has Ben & Jerry's been forced to grow? Explain
- 2) Is Ben & Jerry's original culture now hindering (troubling) the organization effectiveness?
- 3) Can Ben & Jerry's maintain their original culture and, at the same time, continue to grow?
- 4) If you were a management consultant, what advice would u give to Ben Cohen?

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Elaborate on the process of perception.
- b) Are unethical decisions more a function of an individual decision maker or the decision maker's work environment? Explain.
- c) What do managers do in terms of functions, roles and skills?

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Identify a charismatic leader and a transformational leader(of your choice). Compare how are these two leaders different.
- b) What are the five stages of group development?
- c) What is the evidence for the effect of culture on group status and social loafing?

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the major ways that jobs can be redesigned? In your view, in what situations would one of the methods be favored over the others?
- b) Explain with examples the three types of transactions.
- c) Elaborate on the OB Model.

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the common biases and errors in decision making?
- b) Explain Goal setting and Self efficacy theory of motivation.
- c) Write a short note on cognitive dissonance theory and comprehensive theory of attitude change.

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) “A strong culture affects an organization's efforts to improve diversity.” Is this true? Discuss
- b) What forces act as stimulants to change, also explain the difference between planned & unplanned change.
- c) What is organization development & explain the techniques used for OD?

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the six elements that define an organization's structure?
- b) How can managers create boundary-less organization?
- c) What is bureaucracy, and how does it differ from a simple structure?