

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2016-18)
Second Trimester Examination October 2016

Subject	Organizational Behavior II		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	5/01/2017

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

Q1) Case Study: Starbucks returns to its Roots

20 marks

You are probably so used to seeing Starbucks coffee shops everywhere that you might not realize the company went from just 11 stores in 1987 to 2,600 in the year 2000. This incredibly rapid growth sprang from the company's ability to create a unique experience for customers who wanted to buy its distinct brand of lattes and mochas wherever they found themselves. At Starbucks' core, there was also a culture of treating each customer as a valued guest who should feel comfortable relaxing and taking in the ambience of the store. Whether you were in the company's founding location in Seattle, Washington, or at the other end of the country in Miami, Florida, you knew what to expect when you went to a Starbucks. This uniform culture was truly put to the test in the face of massive expansion, however, and by 2006 Starbucks' chairman and former CEO Howard Schultz knew something had gone wrong. He noted that "As I visited hundreds of Starbucks stores in cities around the world, the entrepreneurial merchant in me sensed that something intrinsic to Starbucks' brand was missing. An aura. A spirit. The stores were lacking a certain soul." Starbucks' performance had become lackluster, with hundreds of planned store openings being canceled and hundreds more stores being closed. So, Schultz took the dramatic step of coming back as CEO and engaging in a companywide effort to change the corporate culture back to what it had been before its expansion. All 7,000 Starbucks stores were closed for a single afternoon as part of a training effort of 135,000 baristas. Quality control was a primary mission; baristas were instructed to pour every glass of espresso like honey from a spoon, to preserve the flavor. This emphasis on quality over speed ran counter to the principles of mass production, but it was just what the company needed to ensure it could retain its culture. Espresso machines that obscured the customers' view were replaced with lower-profile machines that allowed baristas to look directly at guests while making beverages. And "assembly line production," like making several drinks at once, was discouraged in favor of slowly making each drink for each customer. Schultz is convinced his efforts to take the culture back to its roots as a neighborhood coffee shop—one entranced with the "romance of coffee" and treating every customer as an old friend—has saved the company. Today, Starbucks earns more than \$10 billion in annual revenue and serves more than 50 million customers a week around the globe.

Questions

1. What factors are most likely to change when a company grows very rapidly, as Starbucks did? How can these changes threaten the culture of an organization?
2. Why might this type of radical change process be easier for Starbucks to implement than it would be for other companies?
3. A great deal of the return to an original culture has been credited to Howard Schultz, who acted as an idea champion. Explain how Schultz's efforts to change the Starbucks culture fit with organizational culture?

Q2) What causes Job satisfaction? For most people is pay or the work itself more important. Justify? (10 Marks)

Q 3) What is conflict? Explain the process of conflict in detail? (10 Marks)

Q 4) Do organizations have uniform culture? If you are the HR manager how would you create an ethical organizational culture? (10 Marks)

Q 5) your management feels that the structure of the organization needs to be changed.

How would you use Kotter's eight step plan of change model to implement change? (10 Marks)

Q 6) what is group decision making and explain the various group decision making techniques which can be used? (10 Marks)

Q 7) Write short notes on any 2: (10 Marks)

- a) Johari window
- b) Third party negotiations
- c) Social Loafing