

MBA IV Semester Regular Examinations May 2019

ORGANIZATION DEVELOPMENT

(For students admitted in 2017 only)

Time: 3 hours

Max. Marks: 60

SECTION – A

(Answer the following: 05 X 10 = 50 Marks)

- 1 Discuss the characteristics and significance of organizational development.

OR

- 2 Define ethics. What are the ethical issues involved in organizational development?

- 3 Explain the foundations of organizational development.

OR

- 4 Write the factors influencing organizational transformation?

- 5 Discuss the importance of action research.

OR

- 6 Discuss the steps in diagnostic process.

- 7 What are the functions of T-groups?

OR

- 8 What is career planning? Explain the determinants of career planning.

- 9 Discuss the contemporary issues related to organizational development.

OR

- 10 Explain the role of power politics in organizational development.

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11 **Case Study:**

Columbia Broadcasting System (CBS) is one of the three major communication networks in America and is involved in television radio records, books and magazine publishing. All major corporate decisions are made by the board of directors, which decides the fate of millions of dollars and thousands of jobs, careers and reputations. With so much at stake, corporate politics plays a very important role in making decisions. Such political play is indicated by a major top level shake-up in the company in 1986. The story of this shake down began earlier.

During 1980, the company has 'Hired Thomas Wyman as Chief Operating Office (CEO). Three years later in 1983, because of some economic setbacks and personality conflicts, the board of directors forced Paley out of the Chairman's position and appointed Wyman as the Chairman. This was a big blow to Paley who had started the company and had brought it up to be one of the major media leaders in the country. Unfortunately he could not anticipate the political ploy played by Wyman and, his supporters in the board.

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From 1983 to 1986, when the big shake up occurred, CBS went through a number of significant events affecting its operations and future. For example, in 1985, a group of entrepreneurs showed its interest in buying the company. On that speculation, the company stock value rose and a number of financial investors made bids for the company. Among these bidders was Ted Turner, who currently owns CNN, the news channel. Turner expressed his desire to focus purely on broadcasting business and sell off other entities such as records, books and magazine publishing. None of these bids materialized and CBS started slipping in its stock price and doing poorly financially.

Another bidder Laurence Tisch bought about 25 per cent of the company stock in 1985 and by virtue of his portfolio, he was appointed to be a member of the board of directors.

On the fateful day of September 10, 1986, in a board meeting, William Paley, who was still a member of the board, tried Unsuccessfully to remove Wyman as Chairman of the company. Wyman had appointed some board members who supported him along with some other. However, remove Wyman as Chairman of the company. Wyman had appointed some board members who supported him along with some other. However, Wyman was afraid that either Tisch or some other group unfriendly to him might make an offer to CBS that would be acceptable and he might find himself in- a hostile environment. With that fear in mind, Wyman played his card. He announced that Coca Cola company was willing to buy CBS.

This statement stunned the entire hoard as none of the member knew anything about it. The company had been fighting to remain independent since the first bid and now Wyman was asking the board to- consider selling the company to Coca Cola whose leaders were known to be friendly with Wyman. Since none of the board members knew of this offer prior to the announcement by Wyman, this made them suspicious that Wyman was negotiating with Coca Cola behind their backs. They could not know whether this offer was real or simply a political ploy by Wyman, since he did not bring any concrete evidence to support his claim, or any other paper suggesting a solid commitment by Coca Cola, at the meeting.

The move cost Wyman his credibility and integrity and the board became highly suspicious of his motives. Both Tisch and Paley refused to consider the offer and many other board members joined them. Wyman was forced to resign and the board asked Tisch to act as CEO and Paley returned to his position as Chairman. Soon after, CBS started selling its records, books and magazine publishing business, which interestingly enough was the focus of Ted Turner who was one of the original bidders but failed to buy the company. As a post script to this meeting, it may be noted that Tisch consolidated his position as CEO of the company and was in solid and total control of CBS within two years of the shake upon September 10, 1986.

Questions:

- (a) What type of power and politics you think both Paley was Wyman in play in the final shake up at CBS?
- (b) Do you think the various bids to buy CBS in 1985 were real or could they have been manipulated by vested interests to raise the stock price of the company?
- (c) Given the later information that Tisch came in firm control of the company within two years of this shake up, do you think that Tisch was playing silent politics all along.
