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The cumulative effect of poor management and total absence of analyses of the local market or culture could not but have had serious impacts on Walmart's position. Frustrations of both employees and the customers played a major role in the downfall of Walmart in Germany.

Even though the exact financials will remain a mystery, the retreat of the giant who is not particularly used to failures, speaks louder than numbers. Walmart did fail in Germany.

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## MS-3100

M.B.A. (Semester-IV) Examination, 2015  
Organizational Change & Intervention  
Strategies  
(HR-431)

***Time Allowed : Three Hours ] [ Maximum Marks : 70***

Note : Answer five questions in all. Question No.1 is compulsory. In addition, answer one question from each unit.

1. Read the attached case and answer the following questions: 10×3
  - (a) Walmart which has been successful in every other country, faltered in Germany. What in your opinion was the basic fault in organisation development?
  - (b) What steps can Walmart take to manage culture change and adapt better to the local German culture?

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- (c) Suggest essential steps or safeguards a multinational should take before entering a new region?

Unit-I

2. With the help of a suitable example, explain how planned change can be managed by an Indian Public Sector organization. You can take any organization as an example for your answer. 10
3. (a) Describe in brief the Kurt Lewins model for change. 5
- (b) Discuss the reasons for resistance to change. What can the management do to overcome such resistance? 5

Unit-II

4. How would you define effective OD interventions? What points should be kept in mind while designing an intervention program for an organization? 10

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considered not normal to smile at total strangers. So the German cashiers, who were not in the habit of smiling at strangers, attempted to follow the orders but felt uncomfortable. As a result, the smiles didn't seem sincere, which again, aroused not the best feelings in its customers towards Walmart.

The brand name wasn't particularly popular in Germany. The reason lies in the uprise of "greenness" in Germany. The ideas of conservation of environment and recycling were gaining momentum. That is why Walmart's plastic bags and redundancy of plastic packaging aroused more annoyance rather than enjoyment.

There are constraints to selling goods below cost price in Germany. In the year 2000, Walmart found itself in court for selling long-life milk at below cost.

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In 1997 and 1998 Walmart acquired two companies - Wertkauf and interspar - in Germany. During its expansion Walmart managed to also successfully enter a number of international markets including Canada, Chili, Brazil, India, and China.

However, during this whole period of expansion Walmart also experienced a number of defeats. Germany was one of them. Among the reasons behind the failure of Walmart in Germany are a number of culture-related issues that come up rather often.

Some of the American employee management practices just didn't fit in the German context. For example, each employee before the shift had to participate in a morning exercise. In could be seen as harmless, but the unique thing about this practice was that they had to do it chanting "WALMART! WALMART! WALMART!".

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If in America such practice could be used to boost morale and inspire loyalty, then in Germany it was looked upon with annoyance, to put it mildly.

Walmart's ethical code caused much frustration as well. For example, the practice of actually spying on your co-workers and reporting any misconduct may be acceptable in the U.S. However, in Germany it is not the case. One only has to think back to the 1940s and post-war Germany when citizens were actually doing this on a social level-thus the modern abhorrence.

The feedback of the employees was also ignored. Top management apparently didn't listen to anything the lower employees and subordinates had to say. Such a situation caused enormous amount of frustration among the employees. Morale was significantly under-

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mined as well. This in turn, had a negative impact on the overall efficiency of the venture.

Another set of factors is related to the lack of analyses of the local market and the specifics of local customers' demands.

The store merchandising was wrong. Walmart put all premium products at eye level, while all the discount product were stored either at the bottom shelve or on the top one. This irritated German customers a lot.

Further, as strange as it sounds, habits of the average German customer weren't taken into account. Germans are known to be efficient and spend as little time in the shops as possible. However, Walmart's stalls were placed in such a way that the customer will have to spend more time shopping.

At the check-out desks, the cashiers were ordered to always be smiling. In Germany it is

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5. What is the need of organization development? Discuss the various steps involved in organization development. 10

Unit-III

6. "There are considered to be various levels of culture, from most visible to the most abstract." Describe in detail these levels of culture and their significance to the managers. 10
7. What do you understand by the term "expatriation"? How do organizations ensure the success of an expatriate in a foreign country? 10

Unit-IV

8. What do you understand by the term "power"? Give an example of a personality who is "powerful" according to you, giving reasons for your answer. 10
9. As a manager, suggest some strategies to gain political strength in an organization. 10

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