

Written case study blockbuster

Business



This case study is to be presented in class, March, 12th, 2014. TEAM WORK FOR SESSION 7 A naive Saab In India (case inspired and adapted from "A naive Saab in India" by Charles A. Arrack, of the Andrea School of Business, Barry university, in Cases and Exercises in International Business, Prentice Hall.) Read the following case and answer the questions in the document It was the opportunity of a lifetime, or so Brian Mosey thought, as he accepted a managing position for Aspen Automotive new calculation In India.

Aspen

Automotive was a supplier to American automobile manufacturers. The recent acquisition of an Indian brake-pad company, the Bind Brake Company, was seen as a keen strategic move for the company. Aspen thought it would capitalize on the experience and low costs of production found in the New Delhi operation, and it sent Brian Mosey, an experienced automotive engineer, to India in order to "make the Indians efficient". Brian and his family quickly adapted to India. Although many expatriates from developed countries experience overwhelming culture shock, the Moseys assimilated well into the expatriate community of New Dwell.

With the help of personal assistants and children in private schools, the Moseys could separate themselves from most of the challenges of everyday life in urban India. Brian knew that his job responsibilities were to turn around the newly acquired Indian operation, and that if he did this within two years, he would be promoted and move back to the US. He felt that this assignment could greatly advance his career. Managers at Aspen's corporate headquarters felt that the introduction of certain Western managerial

practices would be beneficial to Bind and improve overall efficiency and profitability.

Brian was selected to direct organizational change effort because of his past record of accomplishments in the US and abroad.

In addition to his successful assignments in the US, he had worked internationally in Canada, Mexico, and Brazil. Aspen felt that his MBA in management from Michigan State, coupled with his previous domestic and International experience, made him a suitable person to direct the Indian product Improvement strategy. Although Bind produced reasonably high-quality brake components, and labor costs Aspen plants.

After an initial plant visit, top management concluded that the plant as crippled with bureaucracy and that there was no incentive for exceptional performance. Aspen managers observed what they felt were too many Bind employees drinking tea and socializing instead of working at a brisk pace. They were also shocked to find that no Bind employee ever received a performance review and that pay for performance was never even considered by past management.

Bind employees were seldom discharged, even when they were clearly not well suited to their jobs and performed badly.

Pay increases and other rewards were administered on the basis of seniority. Employees were often hired, not based on their abilities or potential, but because they were related to current employees of Bind'. Brian was directed to make the India subsidiary more like the rest of the Aspen corporate

family. For the first three months, Brian did little more than observe and learn about Bind's current managerial practices.

He spoke with managers and employees alike. He identifies employees whom he felt should be replaced and employees he felt had the greatest potential for advancement.

Brian met with his senior managers at Bind and proposed that they collectively formulate a turnaround strategy. All of Bind's managers were Indians and most had been educated in Indian universities. One manager, Raja Patella, had studied in London and received a postgraduate diploma from the University of London in economics.

Brian felt that was one of the most promising candidates for advancement, and he hoped that Raja would take the lead in structuring the change management program.

Although Brian had hoped that the Indian managers would formulate a plan for change among themselves, he increasingly became frustrated after a month when no one came forth to recommend a plan. Brian suggested to the group that they consider changes such as pay-for-reference programs, annual performance reviews, management by objectives, and perhaps a 360-degree performance appraisal program. A more scientific and objective approach to management, coupled with a more participative approach would succeed in increasing efficiencies and ultimate success of Bind'.

Over the next several months, he became increasingly dissatisfied with the progress of the Indian managers in coming up with a plan for changing their managerial practices.

Highly frustrated, he sometimes angrily criticized members of his managerial team in front of their subordinates. The relationship between Brian and his managers became strained; he was being referred to behind his back as “ sahib’s” or “ big boss”. A throwback to the British colonial days, this term was used in some instances to refer to a manager who had little understanding of Indian culture.

One of Brian’s biggest critics was Raja Patella. Raja often criticized Brian’s managerial style as being too direct and forceful.

On one occasion, Raja referred to Brian’s tactics as “ culturally imperialistic”. He was concerned that Brian was trying to change Indian’s culture to fit an American model of management. Although educated in the West, Raja did not feel that Indian employees were receptive to many Western managerial practices, which ran counter to basic Indian values. After seven months in India, Brian decided that if change were to occur, he would have to be the one to initiate that change.

He called his senior managers into his office one morning and would replace Parka’s Nor, the assistance plant director and the most senior manager.

Raw was a young engineer, educated at an American university. Second, he announced that performance appraisals would begin immediately and that at least two employees in each group work would be eliminated in the interest

of the organizational efficiency. Third, a new plan of 360-degree feedback would be implemented: subordinates would evaluate their superiors. All raises would now be based on merit.

Finally, all personal assistants would be fired and their responsibilities assumed by the managers themselves. At first, the Indian managers seemed stunned by Briar's mandates.

No one spoke, and a dead silence filled the room. When Brian asked for feedback on his "recommendations", the managers looked down at the table in front of them and said nothing. Parka's, who got up and left the room, broke the silence. Later, a few of the managers politely told Brian that the ideas were too bold and too sudden a change for Bind'.

Brian angrily responded that the change was too long overdue and that anyone who would not go along with the new plan should leave the company.