EXAMINATIONS OF APRIL/MAY 2011.

CODE AND NAME OF COURSE: MGMT2008 - ORGANISATIONAL BEHAVIOUR

DATE AND TIME: DURATION: 2 HOURS

INSTRUCTIONS TO CANDIDATES: This paper has 3 pages and 6 questions.

This paper is Worth 60% of the Final Course Marks.

This paper consists of Three (3) sections only.
Answer question 1 from Part A, any one (1) question from Part B and All questions from Part C.

PART A

1. Of what practical use is the body of knowledge called Organisational Behaviour to practising managers? (20 marks)

PART B

Answer one (1) question from Part B

2. With reference to at least four (4) theories of leadership, discuss how leadership might impact on organisational behaviour. (20 marks)

3. Culture can have a negative impact on an organisation if it is not managed properly. Critically discuss this statement. You should include in your answer an explanation of the nature and functions of culture. (20 marks)

4. What do you understand by the term organisational politics? Identify and briefly discuss at least three types of circumstance that may give rise to political behaviours in organisations. Now indicate options available to management for dealing with the behaviours that you have highlighted. (20 marks)

5. Organisational structure is said to serve vital purposes in organisations, yet a number of dysfunctions may arise from the structural properties of an organisation. Discuss, with appropriate examples. (20 marks)

TURN OVER
6. CASE STUDY

Rio Cosmetics Ltd.

Rio Cosmetics have chosen to concentrate their effort on what they regard as the most lucrative section of the market. As their Marketing Manager says, 'We've gone for short-term profit maximisation - rather than for diversification.' Their production is therefore concentrated on a single tube of deodorant marketed under the brand name 'Freche'. The product is heavily advertised on TV and Rio have made considerable profits over the past 5 years. However, a substantial competitor has now entered the market, and Rio's share of the market has dropped to 18%, its lowest level in 3 years.

The Board are now looking for explanations. They have asked for reports from the Sales and Production Departments. They have also asked Personnel Department to report on some disturbing statistics regarding the workforce. In particular:

1. There has been a dramatic increase in absenteeism over the last year.
2. Although the number of line workers has remained fairly stable (at around 2115 during the last four or five years), weekly average output has fallen from 312,000 to 287,000 units.
3. During the last year 21% of the line workers have been late at least once a week, in spite of the fact that they lose a quarter of an hour's pay when this happens. (Before this year the figure was fairly constant at around 10%.)

In addition:

Within the past four months, the number of consumers complaining direct to the company have doubled according to the information supplied by the Quality Control Department, who keep a record of the number of letters received each week. They advise that the majority of these complaints have been traced back to what they describe as 'human errors' on the production line. Furthermore, three serious cases of pilfering have been notified by the Security Section within the past week.

Other Information Available

The rate of pay is approximately 10% higher than could be obtained by the line workers elsewhere. Older women are not discouraged, but the average age of the workforce is only 19 years. It is increasingly difficult to find acceptable line supervisors. Production starts at 8 a.m. and finishes at 5 p.m. - 5 days a week - with an hour lunch break and two 20-minute tea breaks.

TURN OVER
The graphs shown below have been prepared covering Labour Turnover and Absenteeism over the past five years.

a) What do you believe are the principle issues that require management’s attention? Justify your response. (10 marks)

b) What explanations and recommendations would you offer the Board of Directors? (10 marks)