EXAMINATIONS OF DECEMBER 2007.

CODE AND NAME OF COURSE: MGMT2008 – ORGANISATIONAL BEHAVIOUR

DATE AND TIME: DURATION: 2 Hours

INSTRUCTIONS TO CANDIDATES: This paper has 4 pages and 7 questions.

PLEASE PAY CAREFUL ATTENTION TO THE INSTRUCTIONS REGARDING THE
NUMBER OF QUESTIONS YOU ARE REQUIRED TO ANSWER FROM EACH
SECTION.

This paper consists of THREE (3) sections only.
Answer question 1 from Part A, any one (1) question from Part B and Either
Part C1 OR Part C2. Be sure to answer all the questions in Either Part C1 or
Part C2.

This paper counts for sixty (60) marks.

PART A

1. Write SHORT notes on any three (3) of the following:
   a) Fundamental Attribution Error OR Organisation-Based Self Esteem
   b) Perceptual Process
   c) Group Effectiveness or Group Processes
   d) Behavioural Feedback vs inferential Feedback
   e) Equity Theory and Organisational Justice
   f) Corporate Culture
   g) Three Dysfunctions of Structure

   (15 marks)

TURN OVER
PART B

Answer one (1) question from Part B (15 marks)

2. An organisation's performance and effectiveness are directly related to its leadership. Drawing on relevant theory, discuss the validity of this statement. Provide appropriate examples to substantiate your answer.

3. EITHER
   a) Organisational communication is said to be essential to the effective discharge of managerial roles. Identify and succinctly discuss at least four challenges managers face in maintaining effective communication in organisations.
   
   OR
   b) Discuss, with appropriate examples, the purposes served by EITHER downward communication OR upward communication in organisations.

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.

5. Of what practical use to managers is the body of knowledge called Organisational Behaviour?

PART C

CASE STUDY

Two Case Scenarios are presented in this Section. Answer EITHER Part C1 OR Part C2. Be sure to answer all the questions for the Case Scenario that you choose.

Part C1

Rio Cosmetics Ltd.

Rio Cosmetics has chosen to concentrate its effort on what it regards 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 has 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.

TURNOVER
The Board is now looking for explanations. They have asked for reports from the Sales and Production Departments. They have also asked the 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 2,115 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 directly to the company has doubled according to the information supplied by the Quality Control Department, which keeps 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 12 a.m. and finishes at 5 p.m. - 4 days a week – with an hour lunch break and two 20-minute tea breaks.

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

![Graphs showing Labour Turnover and Absenteeism](image)

a) What do you believe are the principal issues that require management's attention? Justify your response. (15 marks)

b) What explanations and recommendations would you offer the Board of Directors? (15 marks)
PART C2

You are a management consultant called in to advise an organisation which has undergone significant change, involving both voluntary and compulsory redundancies, in the last two years. Employee members have reduced by 60% whilst the work load has remained unchanged for the organisation as a whole. Employees, including managers and supervisors, now work under significantly increased work pressure. Senior management are concerned about the low morale and commitment to the organisation which they now perceive amongst the remaining workforce. Six months ago the senior management team decided to introduce a major exercise to improve communication within the organisation. They wished employees at all levels to understand better the problems of the organisation, the management strategy adopted to deal with these problems, and the senior management team's growing confidence that the situation was now improving significantly. Productivity and cost effectiveness had improved substantially. Moreover major programmes of technical improvement and investment were now underway. One important element of this programme was a training course in interactive skills for first-line supervisors. The personnel manager has told you that this programme has failed.

Personnel Manager: 'We wanted to build up the supervisors' role with their own people. Therefore we wished the supervisor to talk with his people about our plans and to get their ideas and views. We put them through a one week course in interactive skills and human relations skills. But it failed. They enjoyed the course. They all said they gained a lot from it. But when we asked them to communicate to their people about plans for this year, they said they did not feel confident enough.'

Consultant: 'Do they understand the plans? Do you feel that the plans have been presented to them in a clear enough way? Are their own managers communicating effectively with the supervisors? Do their managers provide support and encouragement to the supervisors?'

Personnel Manager: 'I'm not sure, possibly not. We give them copies of our detailed plans. They see everything. In any case I think they are afraid of being criticised by their staff. They don't want arguments with them and they don't feel sure enough about the plans. They wonder about job losses in the future.'

The role of first-line supervisors had been changed with the introduction of a professional Personnel Function in the 1960s. Supervisors no longer fully understood the terms and conditions of employment, bonus schemes, job evaluation systems and employment legislation relevant to the organization. Moreover the manpower reductions had meant that supervisors were increasingly taking on tasks once carried out by their subordinates. Thus the role of the supervisor had come to be solely a technical, and no longer a managerial role.

a) Identify the main issues you believe will need attention if communication within this organisation is to be improved. Justify your choice of issues. (15 marks)

b) State what advice you will offer to the organisation about how to proceed from the current situation. (15 marks)

END OF QUESTION PAPER