



## UGANDA MARTYRS UNIVERSITY, MBALE CAMPUS

### Faculty of Business Administration and Management

Paper: Organisational behaviour

Class: BAM 1

Date: 2018

#### **Instructions to Candidates**

This paper contains two parts: Section A and Section B.

Section A is COMPULSORY. Half the total marks may be gained in section A. Section B contains four questions. Candidates must complete TWO questions only from this section. Half of the marks may be gained from Section B.

Read the following before answering the examination questions.

1. Read each question carefully before you answer.
2. Apportion your time according to the marks allocated for the question.
3. Apportion your time equally between Section A and B.
4. Answer the questions that you feel you can obtain the most marks for, but you must ensure that you attempt the compulsory questions.
5. Number the answers to the questions clearly before answering.
6. Please write as neatly as possible as illegible handwriting cannot be marked.

**Read the following case carefully and answer the questions that follow.**

Whirlpool is a major manufacturer of washing machines in the United States of America. It has subsidiaries and sub-contractors who make some of the parts for the final product. One of these companies, Whirlpool Corporation, has a plant located in Michigan State that turns metal rods into washing machine parts.

The plant is not a high- tech state of the art facility, but only a small, old fashioned tooling and planting shop. The company employs 265 workers. Because of low productivity, the company was even considering closing the plant. The company did not want to invest additional capital to upgrade the technology. It did, however, revamp the manufacturing process and held training workshops for the workers to improve the quality of the product. However, the productivity per man hour remained low, the rate of defective parts in the production remained high and the employees' morale remained generally low.

Then the company decided to introduce a profit sharing plan whereby the workers would be encouraged to improve upon productivity as well as the quality of the product and they would share in the extra costs saved or extra profits earned.

Even though the workers were sceptical when the programme was initiated, they negotiated a gains sharing formula that was suitable to both the management and the workers. It was agreed that there would be no increase in the base pay but the workers' share the additional bonuses which would be proportional to the savings attained. Since inception of the programme, the productivity has improved 19% to 110.6 units per worker as against 92.8 parts per worker prior this programme. Similarly, the number of defective parts has decreased from as high as 837 per million down to only 10 per million. During this time, the total worker pay increased by 12%.

The workers have become so involved that they themselves keep looking for ways to cut costs. For instance, one group of workers has been involved in finding ways to recycle the oil used to cool and lubricate machines. If these efforts are successful, the workers feel that they can save about \$41,000-that can be shared by them.

Even though the programme has been successful, some workers are unhappy that the gains are shared by all workers equally and this inhibits individual motivation. They feel that some unproductive workers are being benefited because of some highly productive workers and this arrangement does not seem to them to be equitable.

### **Question One**

(a) Job satisfaction or dissatisfaction is of great concern to management since there seems to be a relationship between job satisfaction and job performance. To that effect explain some of the indicators of low morale in Whirlpool. (3 Marks)

(b) Discuss reasons why managers are seemingly interested in motivating their employees. (10 Marks)

(c) Do you think gain-sharing programmes are considered to be motivators for workers as individuals? Explain how the programme has motivated the workers at whirlpool Corporation. (6 Marks)

(d) Give expert advice to as what management can do about the unproductive workers who are getting the same benefits as the productive workers? (6 Marks)

### **Question Two**

(a) Groups are always inevitable in organisational management. However, a number of managers fail to conceptualise this important aspect of management. Guide management to appreciate this inevitability (10 Marks)

(b) Discuss the main sources of conflict in organisations and advise how a manager can practically overcome it in a prevailing situation. (15 Marks)

## **SECTION B**

### **Question Three**

(a) Critics of organisational Behaviour have urged that the study of organisational is a worthless effort that is simply aimed at increasing the stake of management professionals in organisations. Clarify this statement (15 Marks)

(b) Organisations and their management spend substantial amount of time designing their organisational structures as the argument is that this formal layout of the organisational establishment has serious ramifications on the individual and group operations as well as their conduct. Substantiate on the above argument? (10 Marks)

### **Question Four**

The psychological contract is a complex phenomena in organisational management that many managers and employees alike fail to comprehend yet failure to respect it has significant influence on the behaviours of people in organisations. Discuss the likely effects of an organisation's failure to respect and honour the psychological contract. (25 Marks)

### **Question Five**

Decision making is seen as key to success of any manager as his or her achievements largely depend on the effectiveness of the decisions made. As a student of organisational behaviour;

(a) Discuss the different types of decisions made in an organisation. (4 Marks)

(b) Explain the different conditions under which decisions are made. (6 Marks)

(c) Examine the applicability of rational decision making model in modern management. (15 Marks)

### **Question Six**

(a) Corporate culture has gained wide spread recognition as a key aspect of influencing and winning people towards the organisation and realising effectiveness. What remains unclear to many managers though are the strategies to develop such a supportive culture. Provide expert advice on how a manager of an organisation can utilize culture in management of change? (15 Marks)

(b) In effort to create a strong culture to influence and guide operations, your manager has received a lot of criticism and employees have vowed never to respect and follow the ideas. In your view, what should the manager do to win the support of his employees and thus ensure the success of corporate culture change? (10 Marks)



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Faculty of Business Administration and Management

OB1201- Organisational Behaviour

### Marking Guide

**Time: 3 Hours**

Date:

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### **Question One**

(i)

- Employee unrest
- Absenteeism
- Tiredness
- Employee Turnover
- Union activity
- Early retirements

Any 3 points well explained by 3 Marks= 3 Marks

(ii)

- To stimulate productivity
- Prevent employee turnover
- Corporate image
- Interest the best workforce to its side
- Recognition, praise and credit

Any 5 points well explained by 2 marks= 10 Marks

(iii)

Yes/ No answer

Its relative with justifications

Any 3 points well justified by 3 marks= 3 Marks

(iv)

- Generate a sincere interest in the welfare of employee.
- Set performance standards /contracts
- Encourage them to up up their effort
- Rationalise rewards alongside attained targets.

Any 3 points well explained by 2 Marks= 6 Marks

### **Question Two**

(a)

- Groups offer more information and knowledge
- Implementation is key since they to participate
- Input from large numbers eliminate bias
- Participation style is built
- Decisions are more democratic in nature

Any 5 Points well explained by 2 marks= 10 Marks

(b)

- Limited resource
- Goal incongruence
- Reward systems
- Difference in time horizon
- Difference in perception

Any 5 points well explained by 2 marks=10 Marks

Overcome conflict

- Expansion of the resource envelope
- Bringing in totally new persons to stir company activities
- By compromise
- By avoidance

Any 5 Points well explained by 1 Mark= 5 Mark

## **SECTION B**

### **Question Three**

(a)

- Humanistic orientation ( people attitudes, perception, learning capacities, feelings)
- Learning about behaviour in organization can help provide skills of observation, prediction and implementation.
- Those pursuing a career in management will want to know as much as possible about behaviors and how to properly apply leadership principles in an organizational setting.
- Learning and knowledge about behaviour helps a manager to distinguish between those behaviour that enhance / improve from those that retard/ limit organizational development.
- Managers also learn how to influence people behaviour towards achieving organizational goals.

Any 5 points well explained by 3 marks= 15 Marks

(b)

- The organization structure has an influence on the behaviour of individuals and groups of people who make up such organizations. Through organizational structures, we can see control and the different parts of units.
- Each person in each department adheres to the policies and rules there in.
- The structure ensures regular occurrence of activities in an organization. There are several activities going on every day as people work and interact and communicate and make decisions.
- Organisational structures contribute to organizational effectiveness. This is just because just like organizations, structures have purposes and goals for which they are established.
- Organisations attempt to design structures that guide individual and group behaviour to attain productivity and efficiency.

Any 5 Points well explained by 2 Marks= 10 Marks

**Question Four**

The psychological contract refers to “The overall set of expectations that an individual worker holds with all the due respect to his/her contributions to the organization and the organization’ response to the individual workers.” 5 Marks

Workers will not make the following contributions as a result of noticing discrepancies.

- Commitment-deligency
- Loyalty .
- Respect.
- Organizational citizenship.
- Hard work.
- Integrity.
- Honest and
- Working beyond the call of duty.

Any 10 points well explained by 2 marks = 20 Marks

**Question Five**

(a)

- Programmed decisions
- Non programmed decision

Any 2 points well explained by 2 marks = 4 Marks

(b)

- Decision making under risk
- Decision making under certainty
- Decision making under uncertainty

Any 3 Points well explained by 2 marks= 6 Marks

( c)

- Recognize and define the decision situation
- Identify or develop alternatives
- Selection of desired alternative
- Evaluate the available alternatives
- Select the best alternative for action

- Implementation of the chosen alternative
- Follow-up and evaluation

Any 7 points well explained by 2 marks= 14 Marks

1 Mark Bonus

### **Question Six**

(a)

Definition of corporate culture

1 Marks

Importance

- Culture promotes code of conduct.
- Facilitates collective commitment
- Promotes self satisfaction
- Shapes behaviour by assisting to make a sense of surrounding
- Builds employee emotional attachment to the company
- Culture shapes the way employees interact at workplace
- Culture develops positive attitude

Any 7 points well explained by 2 marks =14 Marks

(b)

- Through formal statements or organisational philosophy
- Design of physical space, work environment and buildings
- Slogan language
- Leader reaction to critical incidences and organisational crisis
- Explicitly reward status symbols and promotions critical. Same pay for same qualification for instance

Any 5 points well explained by 3 Marks = 10 Marks

**GOOD LUCK**