



**UGANDA MARTYRS UNIVERSITY**

**FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT**

**QUATA III EVENING FINAL ASSESSMENT 2017/2018**

**COURSE UNIT: ORGANIZATIONAL BEHAVIOUR**  
**August, 2018**

**DATE: Saturday 11<sup>th</sup>**

**TIME ALLOWED: 4.00 PM – 7.00 PM**

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**Instructions**

- 1. Answer any four questions including question 1. Questions 1 carries 40 marks and the rest 20 marks each.**
  - 2. Do not write anything on this question paper.**
  - 3. Credit will be given to clarity and use of relevant examples.**
  - 4. Write legibly.**
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**Question 1**

One of the most successful discount departmental stores in America is known as Wal-Mart stores and is named after its founder Sam Walton. Because of the phenomenal success of these stores, Sam Walton became the richest man in America. Also, because of his leadership, the stores have enjoyed continuous growth and expansion, so that by mid-1980's, the chain had over 700 stores and increasing at a rate of an additional 100 per year. Its sales increased annually by over 35% per year, and the profits have soared close to 40% per year ever since 1975.

Sam Walton, until his death, took personal interest in his employees. His managerial philosophy was to get the right people in the right places, and then give them the freedom to be innovative to accomplish their tasks. He called his employees as associates and treated them as associates. As per company policy, all associates are eligible for profit sharing plans which motivate employees further. The managers of the store area are required and encouraged to meet with their employees in a social setting to discuss their concerns as well as issues of organizational interest, and this makes the employees feel that their input is taken seriously by the management.

Sam Walton himself led a simple life. He did not exhibit any aura about himself, giving the employees a feeling that he was one of them. He and his executives regularly travelled in company owned planes to visit Wal-Mart stores situated at various sites across the country. He met with sales clerks, stocks boys and sales managers to find out what items were popular. He knew most of them by their first names and addressed them so. He initiated “employee of the month” in all categories and created honor roles for more successful stores. This created inner competition requiring extra effort to improve sales and service. This policy gained high respect for him as a leader.

The administration of the organization is very cost conscious. It only spends about 2% of the sales for general administrative expenses. It shops for supplies at bargain prices all around the world and has built giant ware houses around the country in such a manner so that most stores are with 6 hours driving distance from a ware house. This helps in better delivery system and reduced inventories at retail stores. Each store prepares a monthly financial report which can be studied line by line to look for ways to reduce costs further. These cost savings are passed on to the customers and this in turn generates customer loyalty. Wal-Mart slogan of “Quality you need, prices you want” has become a generic organizational statement.

Wal-Mart with more than 2000 stores at present is faced with tough competition from a similar chain of discount stores known as K-Mart. However, Sam Walton did not worry about the competition because he felt that his people oriented philosophy of operations and cost cutting efforts without diluting the quality of the merchandise would always meet the competition head on.

- a) What are the major reasons for the company’s phenomenal success? **(10 marks)**
- b) How would you describe Sam Walton as an effective leader, and what leadership theory is consistent with his leadership style? **(20 marks)**
- c) What factors, other than the leadership style, contributed towards the survival and growth of the organization? Support your reasons. **(10 marks)**

## **Question 2**

Explain in detail the reasons why people resist change in organizations and how this resistance can be overcome. **(20 marks)**

## **Question 3**

- a) In the day – to – day operations of organizations, conflict is inevitable. To what extent do you agree with this statement? **(10 marks)**
- b) Suggest measures of how to overcome individual, intergroup and organizational conflict. **(10 marks)**

## **Question 4**

- a) Discuss the barriers to effective communication **(5 marks)**
- b) What steps would you take to overcome barriers to effective communication. **(5 marks)**
- c) How important is the informal communication in the efficient and effective operations of the organization? **(10 marks)**

### **Question 5**

The pressure at work places that results in an inescapable level of stress sometimes takes a toll on employee's lives.

- a) Discuss the organizational and individual factors that contribute to stress. **(10 marks)**
- b) How can a manager change the organization to control stress? **(10 marks)**

### **Question 6**

- a) Explain, with examples, the different sources of power and how it is acquired in an organization. **(10 marks)**
- b) Discuss the situations under which group decision making is preferred to individual decision making **(5 marks)**
- c) Suggest measures to improve group decision making. **(5 marks)**

***GOOD LUCK***