

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION 2006

---

TITLE OF PAPER: ORGANISATIONAL BEHAVIOUR

DEGREE AND YEAR: DIPLOMA IN COMMERCE 1V

COURSE NUMBER: IDE BA 322-1

TIME ALLOWED: TWO (2) HOURS

**INSTRUCTIONS**

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY IN SECTION A IS COMPULSORY
3. ANSWER ANY TWO QUESTIONS FROM SECTION B

NOTE: you are reminded that in assessing your work, account will be given of the accuracy of language and the general quality of expression, together with the layout and presentation of your final answer.

**THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.**

**GOOD LUCK!!!**

**SECTION A: COMPULSORY**

**Read the case below and answer the questions that follow.**

**A SUCCESSFUL PARTNERSHIP AT FORD-MAZDA**

While international joint ventures among auto manufacturers make great sense, often they don't make great profits. After years of arguments, General Motors is selling its half-ownership in Korea's Daewoo Motor Co. The auto giant must also bail out loss-plagued Isuzu, in which it owns a 37.5 percent stake. The list of cross-cultural disappointments goes on: Chrysler Mitsubishi, Chrysler-Masserati, and Fiat-Nissan have all produced as much bitterness as rewards. With U.S.-Japan ties frayed, especially over auto trade, links between American and Japanese car-makers are under extra strain.

Ford-Mazda is the exception. Their marriage has weathered disagreements over specific projects, trade disputes between Japan and the United States, and even allegations by the Big Three that Mazda and other Japanese rivals were dumping minivans in the United States. The alliance, founded when Ford stepped in to rescue the struggling Japanese car-maker in 1979, stands strong. The two companies cooperate on new vehicles and exchange valuable expertise—Ford in international marketing and finance.

Ford and Mazda work jointly on 10 current auto models, usually with Ford doing most styling and Mazda making key engineering contributions. Jointly worked cars included the Ford Escort and Mercury Tracer models, the sub-compact Festiva, the sporty Ford Probe and Mercury Capri, and the off-road Explorer. The Ford-aided Mazdas are the MX-6, 323, Protege, and Navajo. In all, approximately one of every four Ford cars sold in the United States benefits from some degree of Mazda involvement—everything from manufacturing methods to steering designs—while two of every five Mazdas has some Ford influence.

Ford and Mazda can call on some hard-learned principles for managing a successful strategic alliance, many of which would apply to ties in any industry. The secrets to the Ford-Mazda success are:

***Keep top management involved.*** The boss must set a tone for the relationship. Otherwise, middle managers will resist ceding partial control of a project to a partner. ***Meet often, and often informally.*** Meetings should be at all levels and should include time for socializing. Trust can't be built solely around a boardroom table.

***Use a matchmaker.*** A third Party can mediate disputes, suggest new ways of approaching the partner, and offer an independent sounding board.

**Maintain your independence.** Independence helps both parties sharpen the areas of expertise that made them desirable partners in the first place.

**Allow: no "sacrifice deals."** Every project must be viable for each partner. Senior management must see that an overall balance is maintained.

**Appoint a monitor.** Someone must take primary responsibility for monitoring all aspects of the alliance.

**Anticipate cultural differences.** They may be corporate or national. Stay flexible and try to place culturally sensitive executives in key posts.

Underlying these principles is the idea that being negligent is no basis for a partnership. Or, as Ford President Phillip E. Benton Jr. stated, "There's a lot of hard work in making it work."

### QUESTION 1

a. "The phrase "The list of cross-cultural disappointments goes on" reminds us of the importance of cross-cultural management in the globalization process. Define cross-cultural management and discuss what the study describes.

(10 marks)

b. "A third party can mediate disputes" implies that disputes or conflicts are inevitable in organizations. Discuss the consequences of dysfunctional inter-group conflict.

(20 marks)

c. Joint ventures, partnerships or alliance also signify the importance of synergy. What do we mean by the term synergy in this case?

(10 marks)

d. Ford-Mazda relationship sounds good and profitable but what are some of the disadvantages of partnership, that is, possible causes of conflict of such relationships?

(10 marks)

**Total**

**(50 marks)**

**SECTION B**

(Answer any two questions from this section)

**QUESTION 2**

What are the factors that may influence a Swazi Business Owner who wants to internationalise his/her business? (25 marks)

**QUESTION 3**

a. Discuss why cohesiveness is an important concept in managing group behaviour (5 marks)

b. What are the factors that stifle and those that increase group cohesiveness (20 marks)

**Total (25 marks)**

**QUESTION 4**

Most managers perceive performance appraisal to be a waste of time. Critically evaluate this statement using practical illustrations of any organisation that you are familiar with. (25 marks)

**QUESTION 5**

"Organisational employees can not be treated uniformly due to numerous individual influences", discuss this statement using practical illustrations. (25 marks)