

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

MAIN EXAMINATION 2007

TITLE OF PAPER: ORGANISATIONAL BEHAVIOUR (2)

DEGREE AND YEAR: DIPLOMA IN COMMERCE III

COURSE NUMBER: BA 322/ IDE BA 322-1 & 2

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS

- 1. THIS PAPER CONSISTS OF SECTION (A) AND (B)**
- 2. THE CASE STUDY IN SECTION A IS COMPULSORY**
- 3. ANSWER ANY THREE 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.

Employee' Motivation at Tellabs, Inc.

It's important to understand the reasons why effective managers must be concerned with employee motivation. After identifying some of the factors contributing to motivation, this case looks at how Tellabs, Inc. has successfully applied motivation theory.

Tellabs is based in the Chicago area, but is internationally known for its telecommunication products and services. However, recently the company gained fame when its stock increased by 1,683 percent over a five-year period, making Tellabs the best performing stock in that time on the New York Stock Exchange, the American Stock Exchange and the Nasdaq. Tellabs was founded in 1975 by a group of engineers brainstorming at a kitchen table, and grew from 20 employees with annual sales of \$312,000 to 2,600 employees with annual sales of \$494 million in 1994. Tellabs currently designs, manufactures, markets, and services voice and data transport and network access systems.

One of the principal reasons for Tellabs' remarkable success has been its ability to motivate its workforce. In simple terms, employee motivation refers to the employee's willingness to perform in his or her current job. Effective managers must be concerned with motivating employees toward common goals that will improve the success of the company. At Tellabs, a motivated workforce has enhanced the quality of its products and services.

Tellabs' manager of quality, Joe Taylor, explains what's behind the company's motivated workers: "In the past ten years we've found that to improve our quality we had to invest in our employees through training programs. Specifically, they have the tools and resources, now to make a difference within our processes in the factory and provide us with process improvements.

A motivated workforce contributes to increased quality in goods and services, greater efficiency in work processes, and improved customer services. Grace Pastiak said, "When I look at the improvements that Tellabs has made since implementing just-in-time and Total Quality commitment, by far the biggest gain has been exciting

employees to do their best and giving them the opportunity to implement their own ideas.”

At its core, motivation results from individual's desire to satisfy personal needs or goals. Every person has a set of needs or goals that influences his or her behaviour. Abraham Maslow postulated that needs can be placed in a hierarchy and that as each level in the hierarchy is satisfied, the person will concentrate on meeting needs at the next level.

Frederick Herzberg, conducted a study in the 1960s that concluded that factors pertaining to the work itself, such as achievement, recognition, and responsibility, tended to actually motivate employees. Other factors, such as supervision, and responsibility, tended to actually motivate employees. Other factors, such as supervision, pay, and company policies, might increase job satisfaction, but not necessarily employee motivation.

A third approach to motivation, developed by Douglas McGregor, involves two opposing theories about the nature of human behaviour. Theory X holds that some employees are lazy or unwilling to work unless motivated by negative factors such as threats and constant supervision. Theory Y holds that employees want to work and do a good job and are motivated best by incentives, responsibility and ownership of their work.

Maslow's hierarchy, Herzberg's factors, and McGregor's theories suggest that it's in a company's best interest to offer employees adequate rewards and to appeal to their pride of workmanship. At Tellabs, many employees say that the entrepreneurial atmosphere nurtured by managers makes them feel good about themselves. So Tellabs clearly takes Theory Y approach.

Effective managers help create a work environment that encourages, supports, and sustain improvement in work performance. At Tellabs, managers have implemented job rotation systems and a cadre of high performance teams to help enrich jobs and create an innovative working environment. Another innovation at Tellabs to ensure a high level of employee motivation is high performance teams.

Some companies may use a combination of motivation theories. In 1932, Tellabs presented its corporate goals, known as Strategic Initiatives, to its employees. The corporate mission statement emphasized the company's goals of quality, customer satisfaction, profits, and growth, its people, and its corporate integrity.

Tellabs' total compensation plan includes an Employee Stock Option Plan and retirement investments, such as 401 (k). Also, employees receive an annual bonus based on the company's productivity.

At Tellabs, employee motivation and performance are enhanced by an atmosphere in which employees are openly told they are valued and trusted. Managers encourage calculated risk-taking and Innovation. They empower workers through cross-functional teams so that they can be able to identify problems and develop effective solutions.

Tellabs' Career Development System trains internal candidates for key management positions, while its competitive compensation plan shares the wealth, contributes to employee satisfaction, and encourages peak performance.

QUESTIONS

- (a) (i) What are two of the principal reasons for Tellabs' remarkable success?
(4 marks)
- (ii) Identify what has enhanced motivation hence high performance at Tellabs, Inc.
(10 marks)
- (b) It is said that "Effective managers must be concerned with employee motivation; briefly discuss the following theories of motivation: Maslow's hierarchy, Hertzberg's factors, MacGregor's Theory X and Theory Y.
(16 marks)
- (c) Managers use various reward systems to motivate employees; discuss the four non-traditional reward systems that can be used to motivate employees?
(10 marks)

Total

40 marks

SECTION B

(Answer three questions from this section)

QUESTION 2

Assume you are a manager of Swaziland MTN and you have five employees reporting to you. What things would help you detect if any of your employees is stressed and what actions can you take to minimise stress to your affected employees?
(20 marks)

QUESTION 3

- (a) A number of Swazis work for South African firms in Swaziland. Do you think that these Swazi employees are being influenced by the South African approach to management and the culture of South Africa? Explain.
(15 marks)
- (b) In selecting expatriate managers, why would it be important to make sure that a candidate's family supports the assignment? (5 marks)

QUESTION 4

Given that most organisations evaluate employees' performance, why then is it difficult to reward organisational employees on the basis of merit and ability?
(20 marks)

QUESTION 5

"Often managers overlook the significance of attitudes expressed in response to diverse organisational issues that arise during routine organisational operations". From your understanding of organisational behaviour, why should managers be responsive to individual behaviour and differences?
(20 marks)

QUESTION 6

Explain the meaning of organisational development. (5 marks)
Discuss five (5) organisational development (OD) intervention strategies that are commonly used by practicing managers. (20 marks)