

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION
ACADEMIC YEAR 2007/2008

TITLE OF PAPER: Organisational Behaviour

DEGREE AND YEAR: Bachelor of Commerce 3

COURSE NUMBER: BA 322: IDE BA 322

TIME ALLOWED: Three (3) hours

INSTRUCTIONS

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY 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 and answer the questions that follow.

CASE: FORTUNE SURVEY OF MOST ADMIRED ORGANISATIONS

In 1992, *Fortune* magazine polled 8,000 senior executives, outside directors, and security analysts to rate 311 firms in 32 industries on attributes of performance that *Fortune* had used in previous surveys. The respondents rated the firms on scales of zero (poor) to ten (excellent) for each of the eight attributes of reputation. These eight attributes are;

1. Quality of management.
2. Quality of products or services.
3. Innovativeness.
4. Long-term investment value.
5. Financial soundness.
6. Ability to attract, develop, and keep talented people.
7. Community and environmental responsibility.
8. Use of corporate assets.

According to *Fortune*, Merck Pharmaceuticals is the most admired company. The respondents gave Merck an average of 8.74 on the eight attributes. Other corporations rated similarly high were Rubbermaid (8.58), Wal-Mart (8.42), 3M (8.41), Coca-Cola (8.19), Procter & Gamble (8.09), Levi Strauss (7.96), Liz Claiborne (7.95), J.P. Morgan (7.93), and Boeing (7.88).

Merck not only had the highest average rating, it also rated either first, second, or third on all but one attribute—use of corporate assets. It ranked first on financial soundness, quality of products and services, and ability to attract, develop, and keep talented people. The company no doubt owes much of its reputation for soaring profits and strong financial performance to its ability to attract highly talented employees. Merck's CEO, Dr. Roy Vegeles, has personally recruited some of the company's brightest scientists out of the academic labs of the world's greatest universities. Merck first appeared as number one in the ratings *Fortune* published in 1987 and has held that position in each of the intervening surveys.

Other firms with reputations for attracting and retaining high quality employees include Wal-Source: Gibson J.L, Ivancevich J.M & Donnelly. J.H (Jr.) (1994) *Organizations, Structure and processes*, Irwin

Mart, 3M, and Levi Strauss. Robert Haas, Levi Strauss' CEO, makes the point that a successful firm must create an environment in which every employee feels like a representative of the firm.

Employees must fully understand what the firm stands for and how they contribute to that mission. Every Christmas, every year, Haas walks throughout the company's headquarters in San Francisco talking to each of the 1,200 employees. He believes that this personal interaction maintains communication channels with employees and also reinforces the firm's commitment to its human resources.

The design of *Fortune* magazine's survey which includes eight attributes of performance (the bases for the "admiration" ratings and scores) bears out the importance of thinking of effectiveness as consisting of multiple dimensions. Individuals who rate firms take into account more than one attribute. Whether these eight attributes reflect all the attributes that go into judgments of effectiveness can be debated. A sobering note should be added. Performance and admiration can be fleeting: IBM has fallen in each successive survey from number one in 1986 to 204th in 1992.

Required:

- a. How then can and do managers increase and maintain individual, group and organizational effectiveness. (20 marks)
- b. What are the possible manifestations of IBM ineffective performance and that of Merck Pharmaceuticals effective performance? (20 marks)

Total

40 marks

SECTION B

(Answer any three (3) questions from this section)

Question 2.

“Globalisation and its associated practices has become a widely accepted concept leading most organizations to re-engineer its processes.” Discuss the factors that have influenced the global developments and its consequences on management practice. (20 marks)

Question 3

“Although organizations conduct performance appraisal, often discontent emanate from it” Why is that the case and how can the appraisal process be improved?(20 marks)

Question 4

Despite the importance of teamwork within organizations, workers as well as their employers have not appreciated its importance. One manager in a Grasshopper processing company was overheard arguing that the teams they create, separate members before a given task is even accomplished.

Required

- a) With relevant examples, discuss the key processes that can make an effective team. (10 marks)
- b) Explain the relevancy of team building to management (10 marks)

Question 5

What is the essence of understanding power and political influences in the organization and when can you use the different power bases to influence performance? (20 marks)

Question 6

Understanding group dynamics is an imperative for Human Behavioral Scientists because of the effect on performance and on the relationship with others. Discuss the causes and consequences of group cohesiveness. (20 marks)