



MUEO

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**END OF SEMESTER EXAMINATIONS**

**FOR THE DEGREE**

**IN BACHELOR OF BUSINESS AND ECONOMICS**

**EXAM CODE: BBM 360**

**COURSE TITLE: ORGANIZATION THEORY AND  
BEHAVIOUR**

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**TIME: 2.00P.M. – 5.00P.M.**

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➤ SEE INSIDE.

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## BBM 360 ORGANIZATION THEORY AND BEHAVIOR

### INSTRUCTIONS

Answer QUESTION ONE and any other THREE

### QUESTION ONE IS COMPULSORY

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

#### **Indra Nooyi Uses the Full Range of Leadership**

Indra Nooyi is an entirely different kind of CEO, a product of her native India as well as of PepsiCo's family values approach to grooming CEOs. She is not hung up on pay. She's not shy about asking for help when she needs it. She's 52 years old and does not plan for this job to be her last. Her friend Henry Kissinger predicts that it's only a matter of time before she is plucked for a big Washington post, possibly a cabinet job, and Nooyi acknowledges that at some point, she'd like that. She's cosmopolitan, rigorously educated, and a strategic thinker (her background is Boston Consulting Group) much more interested in the burgeoning markets in Russia and China than in the noisy U.S. cola wars

Since becoming CEO she has reorganized PepsiCo to make it less fixated on the U.S. and broadened the powered structure by doubling her executive team to 29. She has created a motto-"Performance with Purpose"-that puts a positive spin on how she wants PepsiCo to do business both at home and abroad.

It essentially boils down to balancing the profit motive with making healthier snacks, striving for a net zero impact on the environment, and taking care of your workforce. "If all you want is to push this company down tight and get double-digit earnings growth and nothing else, then I'm the wrong person," She says. "Companies today are bigger than many economies. We are little republics. We are engines of efficiency. If companies don't do (responsible) things, who is going to? Why not start making change now?."

Indra Krishnamurthy Nooyi has one of those incredible, impeccable track records. She grew up in Chennai (formerly Madras), on the southeast coast of India, the daughter of an accountant and a stay-at-home mother who "encouraged us but held us back, told us we could rule the country as long as we kept the home fires

burning,” she says. Her grandfather, a retired judge, scrutinized report cards, presided over homework, and in his later years prepared her in advance for all the theorems in her geometry book to be sure she’d be able to excel if he were to die before the school year ended. Every night at dinner her mother would present a world problem to Nooyi and her sister and have them compete to solve it as if they were a President or Prime Minister. Though her family is Hindu, Nooyi attended a Catholic school, was an avid debater, played cricket, badgered her parents (and the nuns) until she was allowed to play the guitar, and then formed an all-girl rock band –the first ever at the Holy Angels Convent...

One of Nooyi’s most stunning talents is the art of suasion. She can rouse an audience and rally them around something as mind numbing as a new companywide software installation. Her new motto, “Performance With Purpose.” is both a means of “herding the organization” and of presenting PepsiCo globally. Because these days, she knows, you can’t take even an emerging market for granted...

Nooyi sells her ideas with a famous intensity. Her colleagues say she “brings her whole self” to the office. She insists that everybody’s birthday is celebrated with a cake... and everyone is forever 35. Her karaoke machine is the ubiquitous party game at every PepsiCo gathering. She talks about being a mother. In December one executive recalls how Nooyi described to her whole team what it felt like to be a soccer mom whose week it was to bring the treats. You get a very specific list. You can’t have nuts. You can’t have wheat. The situation confounds the CEO mom, she confesses, urging them to “make it easy for me so I don’t have to thing, we can do this. We already have the products.”

Just as she was held to very high standards in her youth, she expects everyone around her to measure up. She has red, green, and purple pens and uses them liberally to mark up everything that crosses her desk. “My scribbles are legendary-legendary,” she says with a twinkle. Like “I have never seen such gross incompetence.” Or “This is unacceptable, ‘and I underline ‘unacceptable’ three times,” she says. She’s joking, but she gets her point across. One of her so-called love letters once scared some secretaries so badly that she had to go assure them that their bosses were not about to lose their jobs.



“ She challenges you, “ says Tim Minges, president of the Asia Pacific region. When his team couldn’t find an inexpensive alternative to palm oil for its products in Thailand last year, she kept pushing and pushing, saying, “I hear you, I hear you, so what’s the right solution?” until they came up with one: rice bran oil. “ But don’t try to delegate up, because she will bounce it right back in your face, “he says...

With her team, there’s nothing remote about Nooyi. She is part schoolmarm, part mother hen. She once told Hugh Johnston, who worked for her in corporate strategy, that he was dressed like a bum. At the time he was helping roll out the company’s IT program, and he replied, “Indra, these are IT people; this is what we do. We don’t go out of the building.” When he moved to headquarters, she told him where to shop, and he has acquired a whole new wardrobe. She knows she is demanding, and she worries about it. She throws dinners for members of her team and their spouses, including Q & A sessions in which she insists on getting questions from the spouses and won’t sit down until she does.

She appreciates the support from families, she says, because her career has been tough on her own family.

### Questions

- a) Evaluate the extent to which Indra Nooyi displayed the characteristics associated with being a good leader and good manager. **(4 marks)**
- b) Which different positive and negative Leadership traits and styles were displayed by Ms. Nooyi? Cite examples. **(4 marks)**
- c) To what extent does Indra display situational approaches toward leadership? Explain. **(4 marks)**
- d) PepsiCo represents organizations in the 21<sup>st</sup> century. With reference to the case study describe the nature of today’s workplace as compared to organizations in the previous decade. **(5 marks)**
- e) What kind of skills would be required of managers in this century? Does Nooyi possess these skills? Discuss **(8 marks)**

## QUESTION TWO

- a) Briefly explain how the Human Relations Movement, Quality management movement and the e-business revolution has changed organizations and outline its impact on the development of organization theory. (9 marks)
- b) Discuss the importance of 21<sup>st</sup> Century managers studying organization behavior. (6marks).

## QUESTION THREE

- a) Discuss the elements of perception and briefly discuss the process of perception. (9 marks)
- b) Explain the Expectancy theory and its implications for managers in the motivation of their employees. (6marks)

## QUESTION FOUR

- a) Discuss the five stages in Tuckman and Jensesn's theory of group development and explain why its important for managers to understand these stages (5 marks)
- b) Conflict occurs in organizations. Briefly explain how the traditional assumptions about conflict differ from the modern assumptions. What implications do these new assumptions have for the management of conflict? (5 marks)
- c) Discuss the big five dimensions of personality highlighting the importance of managers to study personality. (5 marks)

## QUESTION FIVE

- a) Reinforcement plays a central role in the learning process. Briefly describe the reinforcement schedules that can be used by managers to influence behavior. As a manager how would you use the schedules to affect employee behavior (8 marks)
- b) Some organizational changes may occur naturally but most require careful planning and execution. Briefly discuss the triggers for change and how you as a manager can handle change in an organization. (7marks)

**QUESTION SIX**

- a) Briefly explain any two of the following concepts
- i) Self concept
  - ii) External locus of Control
  - iii) Social Capital
- (2 marks)**
- b) What factors influences a person's judgment of others? As a manager and supporting your answer with practical examples, explain the steps you will take to minimize the main distortions in interpersonal perception. **(8 marks)**
- c) Explain why the bureaucratic organizational design is the most common form of organization design. What are its merits? **(5 marks)**