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AFFAIRS, RESEARCH & EXTENSION**

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**END OF SEMESTER EXAMINATIONS**

**FOR THE DEGREE  
IN BACHELOR OF BUSINESS AND ECONOMICS**

**EXAM CODE:-           BBM 360**

**COURSE TITLE:-    ORGANISATION THEORY AND  
                              BEHAVIOUR**

**DATE:-7<sup>TH</sup> JUNE, 2017**

**TIME:- 2.00P.M. – 5.00P.M.**

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INSTRUCTION TO CANDIDATES

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## BBM 360 ORGANIZATION THEORY AND BEHAVIOR EXAM

### INSTRUCTIONS

Answer QUESTION ONE and any other THREE

### QUESTION ONE

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

#### **Fast-Growing Companies Use a Variety of Motivation Techniques**

Chances are, Prospect Associates Ltd. won't ever offer Drew Melton a corner office and his pick of the company art collection; he started out as a copy-machine operator three years ago, and that's exactly what he is today.

A dead-end job? In a different company, maybe. Two weeks after he was hired at the Rockville, Md., health communications-policy consultancy, Melton went to its president, Laura Henderson, and told her how he could run document production better and faster. "I think in terms of efficiency," says Melton. So does Henderson, who gave Melton carte blanche to do things his way. "They're listening to my ideas, and that's where I'm making changes and contributing to the company," says Melton. Today he runs a virtual Xerox fiefdom, dispensing advice to prospect's harried consultants, who rely on his painstaking attention to detail to give their proposals a professional look.

Has Melton advanced? You bet. He hasn't climbed a corporate ladder, but he has increased his contribution to the company by honing his skills and expanding the scope of his job. His salary has increased by more than 40%, he's respected by the company's professional staff, and there's no pressure on him to "move up."

Like most "best company" CEOs, Henderson took into account the nature of her business and the needs of her employees and created a system of "advancement" that makes SENSE FOR BOTH. As a player in the highly competitive government-consulting business, Prospect relies on all employees not only to generate ideas but to market them, too. Marisa Arbona, for example, has been given the freedom to parlay her special interest-communications about Native American health issues-into new business for Prospect, something she wasn't allowed to do by her former employer. "As long as I can present my ideas and make them work, I don't think there are any limitations for me here," says Arbona, who won a National Cancer Institute Recognition Award last year. "That was very fulfilling," she says. "It wouldn't have come if I hadn't been working at Prospect."

Nowhere are the opportunities for advancement as dramatic as in fast-growing companies. "There's no ladder to climb," says Jon Goodman, director of the Entrepreneur Program at the University of Southern California in Los Angeles. "They're building the ladder as they grow." So, the challenge is to hire the kinds of employees that will help build the ladder. "You don't want to advance - you want to enlarge," adds Goodman. "Your technical skills become greater; you build your resume in terms of span of control and responsibility."

Such is the case in Stonyfield Farm Inc., in London-derry, N.H., which has seen annual sales growth average over 60% for the past three years. "A year ago, we had 9 supervisors," says Stonyfield CEO Gary Hirshberg. "Now we have 22, and only 3 of those were new hires," In other words, 10 Stonyfield employees have been promoted to supervisor level. That's what happened to former limo driver Edward Souza, who knew nothing about the dairy business when he applied for a job at Stonyfield, five years ago. "But they

emphasized that there was plenty of room to advance for people willing to learn as much as they could," he says. Souza started as a yogurt checker but soon learned how to clean equipment and process milk. A year later he became head processor, and six months after that he was promoted to production supervisor and then to production manager. Souza, who now supervises 40 people, has helped grow production capacity from 9,000 to 60,000 cases a week in only three and a half years...

But even at Phoenix [St. Louis's Phoenix Textile Corp.], which says [Pam] Reynolds [CEO], "has a very structured system where people have specific jobs," there is plenty of room for "horizontal" advancement. Kim Roussin, for example, ran Phoenix's data-processing division for several years before she finally concluded that she wouldn't succeed if she stayed in that position. Roussin expressed an interest in sales, so the company moved her into sales support. "That might sound like a demotion, but to me it was a different form of advancing," she says.

David Kelly would agree. In fact, he founded IDEO Product Development, in Palo Alto, Calif., on that principle. "I set out to make a company that was a great place for my friends to work," says Kelly. He had worked for big companies, but he says, they took the spark out of his life. So he decided to start his own product-design company, eschewing the hierarchy he so disdained. At IDEO, no one has a title, or a "boss," for that matter. Designers form teams around specific projects; each of those teams has a leader whose authority lasts only as long as the project, so today's manager may be tomorrow's subordinate.

So what's the measure of success in such an unstructured environment? "We're talking about climbing the self-fulfillment ladder," says Kelly. "For some employees here, self-fulfillment comes from how technical they are. For others, it means climbing a ladder based on how big a project you run, or how many you can run." Employees get a fix on their progress with regular peer reviews. They select their own reviewers; most choose someone who they know is especially critical, because that person's praise is valued more.

### Questions

1. Using Herzberg's Two Factor theory, Mc Clelland theory and Expectancy theory of motivation explain why the motivational programs at Prospect, Stonyfield Farm, Phoenix Textile, and IDEO are working. (12 marks)
2. How did the top executives from each company use the principles of job enrichment? (4 marks)
3. How did the different companies foster intrinsic motivation? (2 marks)
4. With reference to the case discuss the importance of leadership and motivation in organizations. (2 marks)
5. Would the same motivational techniques used at Prospect, Stonyfield Farm, Phoenix Textile, and IDEO work in larger organizations? Explain. (5 marks)

### QUESTION TWO

- a) Discuss the key components of an organization giving examples of an organization you are familiar with. (6 marks)
- a) Assess critically the relevance of the following to present-day organizations Illustrate your answer with reference to an organization you are familiar with.
  - i) Scientific management

- ii) Bureaucratic structures
- iii) Hawthorne experiments (6 marks)

b) The best way to view Organization Behavior is through the contingency approach. Build an argument to support this statement. (3 marks)

### **QUESTION THREE**

- a) Identify the Big Five dimensions of personality and describe how they are related to key aspects of organizational behavior. (6marks)
- b) Differentiate between the nomothetic approach and the idiographic approach in studying personality. (5marks)
- c) Why is it important for managers to study personality? (4 marks)

### **QUESTION FOUR**

- a) Explain the factors responsible for the failure of some teams to operate as effectively as possible and identify things that can be done to build successful teams. (5 marks)
- b) Conflict occurs in organizations, discuss the positive and negative effects of conflict in the organization. (4 marks)
- c) Briefly describe the causes of intra-personal conflict and inter personal conflict in organizations (6 marks)

### **QUESTION FIVE**

- a) Distinguish between organization structure and organization design. (3 marks)
- b) With examples distinguish between various forms of individual power in organizations. (6 marks)
- c) Discuss the different approaches to learning in organizations (6 marks)

### **QUESTION SIX**

- a) Discuss the strategies an individual may use to manage stress and also what measures an organization may put in place to reduce employee stress. (6 marks)
- b) Discuss the relevance of grapevine communication in an organization. (3 marks)
- c) Organizational development is concerned with attempts to improve overall performance and effectiveness of an organization. Briefly discuss the characteristics of an effective organization. (6 marks)