



MUEO

MOI UNIVERSITY

OFFICE OF THE CHIEF ACADEMIC OFFICER

UNIVERSITY EXAMINATIONS

2012/2013 ACADEMIC YEAR

THIRD YEAR END OF SEMESTER I EXAMINATIONS

**FOR THE DEGREE OF
BACHELOR OF BUSINESS MANAGEMENT**

COURSE CODE: BBM 360

**EXAM TITLE: ORGANIZATION THEORY AND
BEHAVIOUR**

DATE: 13TH JULY, 2012 TIME: 2.00 P.M. –5.00 P.M.

INSTRUCTION TO CANDIDATES

➤ **SEE INSIDE.**

SECTION A

QUESTION ONE (Compulsory 25mks)

Read the following case carefully and answer the questions that follow.

J.M.C ELECTRONIC COMPANY

John May weather the owner and president of JMC, Inc an electronics repair business. He had six employees who did repair work on everything from copiers to computers. Four of the employees were new, younger workers and two were experience veterans. John highly valued his two veterans. Rodney and Vern. Both previously had jobs with major companies had closed their operations in the area. Both men wanted to stay in the area and work on electronics. When John advertised in the local newspaper, the two men applied for the job and John was so impressed and he decided to hire both of them. As the business grew he decided, John added a younger employees from the technical college. These people had associate of science degrees in electronic but little business experience. Jim, Marty, Mary Jo, and sandy were all good employees. But John taught there were looking around for better.

Many of their classmates had been hired by big electronic chain stores. These big stores paid, had better benefits and offered a company car to employees. The current employees liked working for John, who has a friend demeanor and offers a family –type atmosphere in his company, but some wondered about their future with small company. Rodney and Vern are paid \$20 per hour and the rest \$15 per hour. All have basic medical insurance with hospital, doctor, and prescription coverage, a matching 401(k) retirement plan; and a reimbursement plan for business-related mileage for using their own cars at 44 cents a mile.

One night after work the younger employees decided to go out for a dinner at Frank's Bar and Grill. After being there for about fifteen minutes, they were joined by Steve and Tom; Marty asked Steve what he was doing. Steve informed them that he was working Mega mart, Mary Jo asks how is going and Steve tells them he is making \$18 per hour with a full benefit program that includes all kinds of insurance like hospitals, doctors,

dentists, prescriptions, and eye care as well as a paid retirement plan and company car for work . Steve also says that senior repair staff like Ted, a technician with five more years of experience than Steve, can make up to \$25 per hour. Tom said he was working for his family and was making \$12 per hour with just basic medical benefits including prescription, doctor and hospital. Before the topic of life at JMC, Inc, came up with the conversation moved to sports and local social scene. The old friends enjoyed their evening together.

Steve and Marty had a friendly rivalry in high school and college in everything from prettiest girlfriend to fastest car. Jim and Tom were close friends in high school at the technical college. Mary Jo and Sandy really were not involved with the guys and seemed to pal around with each other.

The next day at work, Marty seemed to be distracted. He was not quite his usual happy self. His condition worsened as he thought about how much better Steve was doing with his job. Jim was having a good day and he picked up the slack from Marty. Jim was convinced he had a good job and worried about his friend Tom was not doing all that well in the family business. Mary Jo and Sandy looked at each other and thought that their jobs were good.

Finally, Rodney approached Marty and asked him what was wrong. Steve told Rodney and Vern that he had run into Steve and that Steve is making \$3 dollars an hour more had benefits and a company car. He went to say that senior people like Ted, who is a friend of Rodney's and Vern's, is making \$ 25per hour. Rodney's response was that \$25per hour is serious money. Vern was less impressed with the Mega Mart operation and said that big stores can be hard work environments. Rodney's response was that at that wage he could live with some pain. Steve, Rodney, and Vern all went back and refocused on finishing the day's work.

Marty decided to go to Megamart and apply for a job. He was warmly greeted and offered a job at \$18 per hour plus all the benefits. Marty accepted the job and gave his one week notice at JMC, Inc. After finding out from Vern that Marty was leaving.

Rodney went over to Megamart and met with the manager. He was offered \$25 per hour plus the benefits and accepted their offer. He told John that he also was leaving in one week.

SECTION B.

QUESTION TWO

- a) With appropriate illustration, explain the theory of operant conditioning to learning and its importance. (9marks)
- b) Discuss the perceptual errors that may creep in while appraising the performance of Employees. Suggest ways to reduce these errors (6 marks)

QUESTION THREE

- a) All people have a different set of abilities
Discuss the importance for understanding individual differences in abilities (6 marks)
- b) "Leaders are born not made" Discuss this statement drawing from the theories of leadership. (9 marks)

QUESTION FOUR

- a) Organization behavior is important to management .Explain (3 marks)
- b) What is organizational design? Discuss the problems associated with poor structural design suggesting organizational development techniques that may be used to solve these problems. (12 marks)

QUESTION FIVE

- a) Conflicts are an avoidable in organizations. Explain the levels of conflict within an organization and their causes. How can these be resolved? (9 marks).
- b) As a manager suggest ways to effectively and successfully manage organizational change (6 marks)

QUESTION SIX

- a) Discuss the stages of development as identified by Tuckman and Jensen.
Why is it important for managers to understand these stages? (10 marks).
- b) Discuss characteristics of effective teams (5 marks).