



MUEO

MOI UNIVERSITY

**OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC
AFFAIRS, RESEARCH & EXTENSION**

UNIVERSITY EXAMINATIONS 2014/2015 ACADEMIC YEAR

4TH SEMESTER EXAMINATIONS

**FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION**

EXAM CODE:- BBM 360

**COURSE TITLE:- ORGANISATIONAL THEORY &
BEHAVIOUR**

DATE:-28TH SEPTEMBER, 2015

TIME:-9.00A.M. – 12.00NOON.

INSTRUCTION TO CANDIDATES

➤ **SEE INSIDE.**

THIS PAPER CONSISTS OF (2) PRINTED PAGES

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Instructions to the candidates

Question **one** is compulsory. Answer any other **Three** to make a total of **Four** questions

QUESTION ONE – CASE STUDY

Trying to do the impossible at G.M

Few companies have had a rougher time adapting to a changing environment than General Motors. As far back as the 1960s, the writing was on the wall that GM's way of operating – slow, deliberate decision-making; layer-upon-layer of hierarchy; focus on cost-cutting rather than on new product design; and management-by-committee – was failing. From a US automobile market share of nearly 50% in the late 1950s, the company was down to under 30% by the year 2000. GM's rigid and inward-looking culture, driven by financial considerations, allowed both foreign and domestic competitors to steal away customers with new products – efficient and eye-catching vehicles.

A good part of GM's culture can be explained by the company's historical selection process and promotional policies. It hired its future executives fresh from school. They then shaped these recruits into the GM mentality. The company resisted ideas and innovations that were "not developed here." Executives firmly believed to the point of arrogance, that the GM system was superior to all others. GM rarely hired senior executives from outside the company ranks. In addition, GM encouraged its executives to socialize off the job with other GM people. This further insulated top executives and resulted in a senior management team that saw the world through similar lenses.

In 2001, the GM Chief Executive hired former Chrysler executive Robert Lutz as Vice Chairman. His primary task was to change GM's organizational culture. The Chief Executive acknowledges that GM's culture – dominated by finance-types, engineers, and manufacturing personnel - was content to turn out unimaginative cars.

Lutz faces a formidable task. Lutz had the advantage of coming to GM with a sterling reputation. He has chosen an incremental strategy for implementing change. He isn't chopping heads and bringing in loyalists. Rather he is relying on the same designers and engineers who have been turning out duds for years. But he is giving more clout to the designers and marketing people. He is encouraging people to question past practices, to speak out on issues, and challenge company doctrine. And GM brass is now spending more time driving competitors' cars than their own.

QUESTIONS

- a) Describe the “old” GM culture. (10 marks)
- b) Discuss the specific forces that created this culture (4 marks)
- c) Describe the new culture that Lutz is trying to create and explain whether in your opinion Lutz will succeed or fail in his effort to change GM’s culture and state your reasons. (10 marks)

QUESTION TWO

To be effective organizational goals, objectives and policy should encourage the use of empowerment but still incorporate an element of traditional control. As a senior manager, explain fully how you would attempt to achieve a successful balance between the empowerment of staff and management control. (12 marks)

QUESTION THREE

Discuss Mintzberg’s ten different roles. Group them as being primarily concerned with interpersonal relationships, the transfer of information, and decision making. (12 marks)

QUESTION FOUR

- a) What is the relationship between age and the organizational issues of productivity, turnover and satisfaction? (6 marks)
- b) What prediction can you make for an organization where the ability-job fit is poor? (6marks)

QUESTION FIVE

- a) Describe the Stanford prison experiment and what its goals were. (6 marks)
- b) What was learned through this experiment? (6 marks)

QUESTION SIX

Differentiate between the traditional, human relations, and interactionist views of conflict. Describe how your view fits or differs from these views. (12 marks)