

UNIVERSITI SAINS MALAYSIA
Master of Business Administration

First Semester Examination
Academic Session 1998/99

August/September 1998

AGW613 - MANAGEMENT AND ORGANIZATIONAL BEHAVIOUR

Time: [3 hours]

INSTRUCTIONS:

Please make sure that this examination paper consists of **FOUR (4)** printed pages before you begin.

Answer **NINE (9)** Questions. Question from Section A is **COMPULSORY** and answer **EIGHT (8)** QUESTIONS from Section B.

SECTION A (COMPULSORY)

1. Read the case Gopal Cotton Mills carefully.

Gopal Cotton Mills Ltd
Written by Rolf P. Lynton and R. Harriet

Mr. Shah, the managing director of Gopal Cotton Mills, went to Japan on a trade mission. On his way back to India, he visited several Southeast Asian countries to make a survey of Indian textiles. In the course of talking with many merchants and customers, he learned that they preferred Japanese products to Indian one because of the former's faultless weave. Customers were not interested in buying Indian cloth which, being manufactured on nonautomatic looms, contained frequent flaws. Mr. Shah decided, therefore, to introduce automatic looms in his mills.

Mr. Shah drew up a plan to build a new loom shed for automatic looms to replace the existing loom shed and old looms. The loom shed to be replaced was the smallest of the three in the company's compound. It had 100 looms running on two shifts. All the weavers working in this shed belonged to the same community and have been working in the shed for at least 10 years, some for as long as 25 years. Weavers from other sheds have no interaction with these weavers.

...2/-

The old loom shed was hot, humid, poorly illuminated and very noisy. The machinery was old and a large number of breakdowns and accidents took place. But the workers were proud of the loom shed. They boasted that even with such old looms their production was higher than that of the other sheds with powerlooms. Each worker minded two looms and was paid according to his output. He had no helper to assist. When he had to leave his looms running while he went to bring bobbins, carry cloth, go to the washroom, drink water, or talk with people, his neighbours would look after them. In fact, the workers took turns to go out for a break, and a group could always be found outside, away from the noise, talking, smoking and drinking water. Although the management was not in favour of this practice, all attempts to stop it had failed.

The supervisor made it a practice to make two rounds in the loom shed every day and to talk with any worker in difficulty. Several times each day he stood outside the door of the shed and chatted with worker who were coming in or going out. Many weavers consulted him about their personal problems.

The erection of the new loom shed was completed in one year. It has up to date lighting and humidification equipment, and comfortable washrooms and toilets inside the building. The machinery consisted of looms driven by separate motors and was spaced more generously than in the old shed. The plan specified one weaver to eight looms. Each weaver would have the assistance of a helper to take care of all the auxiliary work so that he would not have to leave the looms at all. The weavers were to be paid according to output. The helpers would be paid a fixed wage somewhat lower than the weaver's pay. All workers from the old shed were needed in the new shed, so the question of retrenchment did not arise. They would be either weavers or helpers. Those having the longest service with the company would be weavers. These points were covered by an agreement which Mr. Shah made with the labour union.

The work started in the new shed according to the plan. Within two months the shed had reached the target of 88% efficiency. At the same time the supervisor started realizing that a lot of his time was taken up in listening to the complaints from the workers. The complaints were mostly about bad working conditions: that the walking distance between looms was too great, that the yarn breakage rate was too high for automatic looms, that the light was too glaring, that the toilet and drinking water place should not be in the same room, and so on. Production fell to 84 percent efficiency. The supervisor made it a practice to check the production of individual workers and to call to his office those whose production was the lowest. He asked them to explain the decline in production. In reply the workers stated more grievances.

...3/-

One day, three representatives of the workers came to his office. They told him that the Mills were getting enormous profit from the automatic loom weaving, but that the workers were not getting a proper share of it. He replied that the company had spent a very large sum of money in installing the new shed and that it could not pay higher wages. The representatives left without argument. A week later the workers went on strike. When the supervisor arrived at the mill at 7 a.m., as usual, he found all the workers entering the old shed. The workers sat down on the empty floor, each where his loom had been and refused to move.

- a. Identify **ONE** major problem faced by the Mills.
- b. Find evidence from case data to justify the problem identified in (a) above
- c. Give three suggestions to manage the problem in (a) the above.

(20 marks)

SECTION B

Answer **ANY EIGHT** of the following. **ALL** questions carry equal marks.

2. Describe 5 characteristics of ineffective groups.
(10 marks)
3. What are some of the main components in developing a communication strategy? (Do not talk about who, what, whom, encoding and decoding).
(10 marks)
4. In the movie "Role of a Supervisor" what are the six steps that have been identified in delegating the responsibility.
(10 marks)
5. By and large studies on job satisfaction and company satisfaction have found no relationship between them. What could be the explanations for this inconsistency
(10 marks)

...4/-

6. Discuss the characteristics of Maslow's Need Hierarchy Theory (Do not discuss the theory).
(10 marks)

7. What are the characteristics of conflict situation?
(10 marks)

8. Briefly describe the phases of planned change.
(10 marks)

9. What are some of the political strategies used by employees in the organization?
(10 marks)

10. What are some of the ways in which Cognitive Dissonance can be reduced? (Do not talk about the theory of Cognitive Dissonance).
(10 marks)

-0000000000-