



# UNIVERSITY OF RUHUNA

## Faculty of Engineering

End-Semester 4 Examination in Engineering: November 2022

**Module Number: IS4304**

**Module Name: Management &  
Organizational Behavior**

**[Three hours]**

**[Answer all questions]**

**Q1.**

- a) List out the components of the internal and external business environment. [04 Marks]
- b) How do demographic shifts and technological developments create both challenges and new opportunities for businesses? [04 Marks]
- c) What factors within the economic environment affect businesses? [02 Marks]
- [Total: 10 Marks]**

**Q2.**

- a) Define Human Resource Management (HRM) and how it relates to the management process. [02 Marks]
- b) How do human resources contribute to gaining a competitive advantage for an organization over its competitors? [02 Marks]
- c) What is HR's role in the strategic planning process? [02 Marks]
- d) Write short notes on
- Workforce diversity
  - Performance management
- [2 x 02 Marks]
- [Total: 10 Marks]**

Q3.

Read the following case study and answer the questions given at the end.

### **Humanized Robots**

Helen Bowers was confused. Sitting in her office at the plant, she pondered the same questions she had been facing for months: how to get her company's employees to work harder and produce more. No matter what she did, it didn't seem to help much.

Helen had inherited the business three years ago when her father, Jake Bowers, passed away unexpectedly. Bowers Machine Parts was founded four decades ago by Jake and had grown into a moderate-sized company. Bowers makes replacement parts for large-scale manufacturing machines such as lathes and mills. The firm is headquartered in Kansas City and has three plants scattered throughout Missouri, USA.

Although Helen grew up in the family business, she never understood her father's approach. Jake had treated his employees like part of his family. In Helen's view, however, he paid them more than he had to, asked their advice far more often than he should have, and spent too much time listening to their ideas and complaints. When Helen took over, she vowed to change how things were done. In particular, she determined to stop handling employees with kid gloves and started to treat them like what they were: the hired help.

In addition to changing the way employees were treated, Helen had another goal for Bowers. She wanted to meet the challenge of international competition. Japanese firms had moved aggressively into the market for heavy industrial equipment. She saw this as both a threat and an opportunity. On the one hand, if she could get a toehold as a parts supplier to these firms, Bowers could grow rapidly. Conversely, the lucrative parts market was sure to attract more Japanese competitors. Helen had to make sure that Bowers could compete effectively with highly productive and profitable Japanese firms.

From the day Helen took over, she practiced an altogether different philosophy to achieve her goals. For one thing, she increased production quotas by 20 percent. She instructed her first-line supervisors to crack down on employees and eliminate all idle time. She also decided to shut down the company softball field her father had built. She thought the employees really didn't use it much, and she wanted the space for future expansion. Helen also announced that future contributions to the firm's profit-sharing plan would be phased out. Employees were paid

enough, she believed, and all profits were the rightful property of the owner—her. She also had private plans to cut future pay increases to bring average wages down to where she thought they belonged. Finally, Helen changed a number of operational procedures. In particular, she stopped asking other people for their advice. She reasoned that she was the boss and knew what was best. If she asked for advice and then didn't take it, it would only stir up resentment.

All in all, Helen thought, things should be going much better. Output should be up and costs should be way down. Her strategy should be resulting in much higher levels of productivity and profits.

But that was not happening. Whenever Helen walked through one of the plants, she sensed that people weren't doing their best. Performance reports indicated that output was only marginally higher than before but scrap rates had risen. Payroll costs were indeed lower, but other personnel costs were up. It seemed that turnover had increased substantially and training costs had gone up as a result.

In desperation, Helen finally had hired a consultant. After carefully researching the history of the organization and Helen's recent changes, the consultant made some remarkable suggestions. The bottom line, Helen felt, was that the consultant thought she should go back to that "humanistic nonsense" her father had used. No matter how she turned it, though, she just couldn't see the wisdom in this. People worked to make a buck and didn't want all that participation stuff.

Suddenly, Helen knew just what to do: She would announce that all employees who failed to increase their productivity by 10 percent would suffer an equal pay cut. She sighed in relief, feeling confident that she had finally figured out the answer.

#### Questions

- a) How successful do you think Helen Bowers's new plan will be? [06 Marks]
- b) What challenges would Helen confront in the future? [06 Marks]
- c) If you were Helen's consultant, what would be your advise for her? [08 Marks]

**[Total: 20 Marks]**

**Q4.**

- a) *Behaviour is considered to be a function of the person and his environment.*  
Describe the importance of these two factors relative to behavior and explain which element has more impact on behavior and why?

[03 Marks]

- b) *"Organizational behavior is the interaction among individuals, groups, and organizations".*

Explain this statement.

[02 Marks]

- c) *In a factory, the male Chief Executive Officer feels that women have an equal opportunity for advancement into the top management of that organization, but the female Assistant HR Manager feels there is no way she can reach into the top management.*

Explain the reason for the difference in perceptions in the above scenario?

[03 Marks]

- d) How does team diversity contribute to better decision-making and problem-solving?  
Explain.

[02 Marks]

**[Total: 10 Marks]**

**Q5.**

- a) Define organizational culture.

[02 Marks]

- b) *Organizational culture generally reflects the beliefs and ideologies of the founder of an organization.*

Do you agree with the above statement? Give reasons.

[02 Marks]

- c) Assume that you are starting your own business as a virtual operation.  
What are the advantages and disadvantages of creating such a virtual organization?  
Explain.

[03 Marks]

- d) *Change is one of the inevitable facts of life. Change is necessary.*  
Comment.

[03 Marks]

**[Total: 10 Marks]**