



UNIVERSITY OF RUHUNA

Faculty of Engineering

End-Semester 6 Examination in Engineering: December 2016

Module Number: IS 6304

Module Name: Management and Organizational
Behaviour

[Three Hours]

[Answer all questions]

Q1. Read the following case and answer the questions given.

The Container Store

(Source: D. A. Decenzo & S. P. Robbins, "Fundamentals of Human Resource Management", 10th Edition, pg. 133)

How does a company handle the challenging task of filling all vacancies in its organization—especially as it expands dramatically over the years? However, that's a simple question for Kip Tindell or Garrett Boone, founders of The Container Store. In 1978, Tindell and Boone opened their first Container Store in Dallas, Texas. As two inspired entrepreneurs, they dreamed of the day that they would expand operations and have stores located in cities and towns across the United States. But they knew that if they did succeed, they would have the difficult task of hiring good quality employees and finding ways to ensure that they stayed. What they embarked on is simply amazing. They've turned their best customers into their most loyal employees.

It is the responsibility of every employee at The Container Store, from Tindell and Boone on down, to recruit employees. These efforts are so effective that advertising for applicants is rarely necessary. That's because as customers enter the store, a sales associate is trained to talk up the benefits of working for The Container Store and all that the company offers. It's easy to do when they can point out that The Container Store has been listed on Fortune magazine's "100

Best Companies to Work For" ten years in a row. If the individual applies and is hired, the sales associate is given a \$500 reward for successful recruiting (\$250 if the person is hired on a parttime basis). Not a bad reward for simply enjoying and doing one's job!

By 2009, The Container Store has recruited more than 3,000 employees. Over a third of them have come from employee referrals and customer contacts. But recruiting is only half of the equation. Tindell and Boone know that they don't want to be recruiting over and over again for the same positions; they want to keep the successful and loyal employees. By offering above average pay, outstanding benefits, and continuous training to help employees grow their skills (and advocate the business), The Container Store has one of the lowest rates of employee turnover in the industry. Whereas similar stores have annual turnover upward of 70 percent, The Container Store has a full-time turnover just under 10 percent a year and less than 35 percent for part-timers. That's a noteworthy record for a company that started with a \$35,000 investment and now has revenues approaching \$600 million annually.

Will The Container Store worry about finding the next qualified applicant? No way! That's because their 3,000-plus employees are always looking for the next best associate! What better way to recruit than by utilizing those closest to the jobs that are being done?

(a)

- i. Discuss the advantages and disadvantages of the above mentioned recruitment process.

[5 Marks]

- ii. The Container Store wants to train the new employees for the position of Salesman (the employee who helps customers on their purchase at the shop). In order to design the training process, company is looking for two options; *formal learning* and *informal learning*. Based on your Training and

Development knowledge, select the most suitable option for The Container Store. Justify your answer.

[5 Marks]

(b)

i. Explain how does The Container Store maintain the lowest turnover rate in the industry.

[5 Marks]

ii. Assume, in future, The Container Store will experience a labour surplus. Then, describe the strategies that The Container Store can take to balance the number of employees at the workplace.

[5 Marks]

(c) How should The Container Store include the process of 'attracting new employees' into its performance management of existing employees? Explain your answer with the steps of performance management process.

[10 Marks]

Q2.

(a) Discuss the differences between *organic* and *mechanistic* organizational structures.

[5 Marks]

(b) Imagine that you are the head of an Engineering Department of a company and you want to change the existing mechanistic structure of your department into organic structure, but you noticed that employees at your department do not like to accept those changes. They say, that they are more comfortable with the existing organizational structure and no need of going for a new one. Briefly explain the ways that you are going to use to overcome this employees' resistance.

[5 Marks]

Q3.

- (a) Richard Branson, a well famous CEO, once said, "Clients do not come first. Employees come first. If you take care of your employees, they will take care of your clients".

How does a satisfied employee at a workplace make an impact to create a satisfied customer? Explain.

[5 Marks]

- (b) Identify and briefly describe the five conflict handling intentions.

[5 Marks]

Q4. You are a newly appointed Project Manager of a large scale project. Few days later, you identified that social loafing is a critical issue in your project team.

- (a) What is, meant by the term "social loafing"?

[2 Marks]

- (b) What are the possible causes for social loafing?

[3 Marks]

- (c) Describe the ways to reduce social loafing?

[5 Marks]