

### Part - B Essay Questions

Answer only three (03) questions including question number 01 in Part B

Marks Allocated: 60 Marks

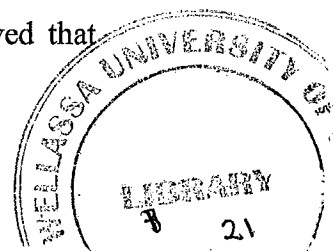
01. Read the following case carefully and answer the given questions.

Stella was confused. Sitting in her office at the plant, she was thinking the same problem 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.

Stella had inherited the business three years ago when her father, John Bowers, passed away unexpectedly. Bowers Machine Parts was founded four decades ago by John and had grown into a moderate-size corporation. Bowers makes replacement parts for large-scale manufacturing machines such as lathes and mills. The firm is headquartered in Colombo and has three plants scattered throughout Sri Lanka. Although Stella grew up in the family business, she never understood her father's approach. John had treated his employees like part of his family. In Stella'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 Stella took over, she determined to change how things were done. In particular, she resolved to stop handling employees with kid gloves and to treat them like what they were: the hired help.

In addition to changing the way employees were treated, Stella 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 an opportunity as a parts supplier to these firms, Bowers could grow rapidly. On the other, the profitable parts market was also sure to attract more Japanese competitors. Stella had to make sure that Bowers could compete effectively with highly productive and profitable Japanese firms.

From the day Stella 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 gymnasium her father had built. She thought the employees really didn't use it much, and she wanted the space for future expansion. Stella also announced that future contributions to the firm's profit-sharing plan would be stopped. She believed that



employees were paid enough and all profits were the rightful property of the owner. She also had private plans to cut future pay increases to bring average wages down to where she thought they belonged. Finally, Stella 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. She believed if she asked for advice from employees and then didn't take it, it would only increase the problems with them. All in all, Stella 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 Stella 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 clash 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.

Stella strongly believed that people worked to make money and didn't want all that participation stuff. Suddenly, Stella decided to announce that all employees who failed to increase their productivity by 10 percent would suffer an equal pay cut. She felt relief and confident that she had finally figured out the answer for all the issues.

- i) What challenges did Stella confront while taking over the Bowers Company?  
(05 Marks)
- ii) Do you think Stella's new plans will be successful? Why?  
(05 Marks)
- iii) If you were Stella's Consultant, what would you advise her to run her business successfully?  
(10 Marks)

**(Total Marks 20)**

02.

- i) Organizational design is the process of choosing and implementing a structural configuration.

Explain the characteristics of any of the modern organizational designs. (10 Marks)

- ii) According to Robbins, Organizational Behaviour is a field of study that provides managers with information on how to improve organizational efficiency.

Discuss the critical issues confronting managers in organization for which Organizational Behaviour offers some solutions or meaningful insights into their management.

(10 Marks)

**(Total Marks 20)**

03. The set of key values, beliefs, understandings and norms that members of an organization share are known as Organizational Culture.

(Richard L. Daft, 2010)

- i) Explain the elements of Organizational Culture with relevant examples. (10 Marks)

- ii) Discuss the difference in Organizational Culture in the international context by reflecting

Greet Hofstede's cultural analysis. (10 Marks)

**(Total Marks 20)**



04. "Now a days working in groups and teams is a common part of the business environment".

(Lynda M. Belcher, 2017)

i) Discuss why people prefer to work as a group than work as individually. (10 Marks)

ii) Discuss the key factors that should be considered to develop an effective team in an organization. (10 Marks)

**(Total Marks 20)**

05.

i) Discuss the different factors that will determine the level of employees' job satisfaction. (10 Marks)

ii) Discuss any of the following contingency theories of leadership with relevant examples.

a) Fielder's Model

b) Hersey and Blanchard's Situational Leadership Theory

c) Path-Goal Theory

(10Marks)

**(Total Marks 20)**