



University of Kelaniya - Sri Lanka  
Centre for Open and Distance Learning



Faculty of Commerce and Management Studies  
Bachelor of Business Management (General) Degree

Third Examination (External) - 2008

**BMGT 33055 / BMG 302.1(Repeat) - Organizational Behaviour**

No. of Questions: 08

Time: 03 hours

**Answer any five (05) questions including question number one (01) .**

(01) Read the hypothetical case given below and answer questions given at the end.

**Sanjeevaka Ayurvedic Company**

Sanjeevaka Ayurvedic Company was founded in 1998 by Mr. Sanjeeva Vaidyaratne who is from a family of traditional Ayurvedic physicians in Sri Lanka. He had a clear vision of producing quality ayurvedic products using modern technology. In late nineties, the company consumed large amount of capital to build the factory and to test new products. But the company failed to capture a sufficient market share and was making losses. Although, the company had employees well- experienced in producing Ayurvedic products it didn't have competent managers.

Thus, Sanjeeva recruited Mr. Janaka Peiris for the post of General Manager of the company, appointed himself for the post of Chairman and his family members for the Board of Directors, Janaka has an MBA degree and has more than ten years managerial experience in a leading food processing company. Thus, he was able to provide a clear direction for the company. He recruited five young managers and built a strong management team and made the company focused on researching and producing new products. New managers were also involved in setting up system and procedures to keep the company on track. Although this transition was difficult, Janaka's leadership led to a stronger sense of commitment. Further, the company captured more than 50% of its target market. An incentive system based on profit was also implemented during this period.

Since the beginning of the last year, the middle managers and employees of the company had not shown much commitment to the company and they seem to have several conflicts with the top management. Further, middle managers felt

that they were strictly bound by company rules, procedures and policies. Lower level employees formed a trade union too.

However, the demand for company's products in the market was on rise. There was an emerging need to introduce a wide range of new product in order to meet the demand and to face the market competition. The management decided to use modern technology for their operations and they imported hi-tech machine from Japan. Employees got to know this and they stopped working saying they want to continue with the existing.

Sanjeeva, realized the company's situation and decided to have personal talks with several managers and lower level employees of the company. He came to know several things through such talks and they are summarized below.

It was observed that middle managers have been less committed to the company since the beginning of the last year. They were found to have very limited decision making authority; middle managers find it difficult to make fast decisions because getting approval from the top management takes long time. They are not motivated to come up with innovative ideas and even as they do, their ideas are not welcome. The number of employees in the company also has increased during the last five years. As a result, there are number of new positions created adding more levels to the company. This situation has also affected negatively to the process of communication between top and bottom levels of the company. There are many complaints received regarding the failures of delivering orders on time and as a result the company has already lost many customers. Employees believe that such avoidable failures are taking due to the rigid procedures of the company. Moreover, employees are producing just the minimum number of units required per day and they are not concerned in making their maximum contribution to the company.

This is an imaginary case

**Questions:**

- (01) (i) Identify the causes of crisis faced by Sanjeevaka Ayurvedic Company. (14Marks)
- (ii) Describe how you would resolve the crisis in Sanjeevaka Ayurvedic Company, based on the knowledge of organizational behaviour. (14 Marks)

(Total 28Marks)

- (02) (a) Evaluate specific personality attributes to be used in prediction of behaviour in organization.  
(9 Marks)
- (b) Evaluate the contribution of Traditional Learning Theory in explaining the learning process of an individual.  
(9 Marks)  
(Total 18 Marks)
- (03) (a) "What one perceives can be substantially different from objective reality." Examine the validity of this statement using the factors affecting perceptual selectivity with suitable examples.  
(9 Marks)
- (b) Our perceptions of people differ from our perceptions of inanimate objects. We can use the attribution Theory for effective person perception. Discuss.  
(9 Marks)  
(Total 18 Marks)
- (04) (a) How do you make a distinction between organizational change and Development? Give specific examples for both organizational change and development.  
(9 Marks)
- (b) "More and more organizations today face a dynamic and changing environment. Therefore managers tend to do often changes within the organization. But it is a challenging task they have to face." Do you agree with this statement? Give reasons for your answer.  
(9 Marks)  
(Total 18 Marks)
- (05) (a) "When describing an incident involving conflict, we are usually referring to the observable part of conflict (the angry words, shouting, etc.....). But it is only a small part of the conflict process. Conflict is a process consisted with several stages."  
Discuss above statement.  
(9 Marks)
- (b) Briefly explain the issues in negotiation.  
(9 Marks)  
(Total 18 Marks)
- (06) (a) Briefly explain the five-stage model of group development.  
(9 Marks)
- (b) "Teams are more productive than groups in today's organizational context." Do you agree with this statement? Give reasons for your answer.  
(9 Marks)  
(Total 18 Marks)



- (07) (a) A number of barriers can distort effective communication. Carefully identify and explain these barriers. (9 Marks)
- (b) Describe briefly a leadership theory. Evaluate its strength in explaining the leadership behaviour of today's managers. (9 Marks)  
(Total 18 Marks)
- (08) (a) "Power refers to a capacity that A has to influence the behaviour of B so that B acts in accordance with A's wishes." Discuss above statement using sources of power. (9 Marks)
- (b) Identifying the primary characteristics of an organizational culture, briefly explain them. (9 Marks)  
(Total 18 Marks)