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M.B.A. DEGREE EXAMINATION – MARCH 2008.

FIRST TRIMESTER

MBA 015 — ORGANIZATIONAL BEHAVIOUR

Time : Three hours   Maximum : 100 marks

PART A — (20 × 1 = 20 marks)

Answer ALL questions.

1. Which of the following are core disciplines contributing to organizational behavior?

   (a) Economics, Semantics and Physiology

   (b) Psychology, Sociology and Anthropology

   (c) Political science, Economics and History.

2. Decision making process can be optimized by trust using and

   (a) Brain storming

   (b) Cohesive versatile work teams

   (c) Link Pin System.

3. Job involvement is a type of

   (a) Attitude   (b) Value

   (c) Belief.

4. One of the sub processes of perception is

   (a) Halo effect   (b) Set

   (c) Feedback.

5. Which of the following steps are usually ignored by the management in training

   (a) Motivation   (b) Stimulus

   (c) Response.

6. Quality circle is a type of

    (a) Self managed work team   (b) Cross functional team

    (c) Problem solving team.

7. Relationship at work is a source of

    (a) Status anxiety   (b) Managerial Stress

    (c) Legitimate power.

8. The behavioral approach to conflict asserts that it has

    (a) Functional consequences

    (b) Dysfunctional consequences

    (c) Both functional and dysfunctional consequences.

9. Committee groups strengthen ——————— communication

    (a) Horizontal   (b) Downward

    (c) Upward.

10. ——————— are rules of conduct determined by group member (Norms/Ethics)

11. Power is acquired by enhancing ——————— and reducing ——————— (Uncertainty, dependency)

12. ——————— factors build motivation and job satisfaction (Intrinsic Extrinsic)

13. ——————— is an individual's idea of what is right.

    (a) Perception   (b) Attitude

    (c) Value.

14. Human behavior is caused by external ——————— internal ——————— and is goal ——————— (Forces, Directed, Stimuli).

State True / False :

15. The grapevine is more a product of people that it is of the situation ( )

16. Motivation stems from an individual's attitudes operating in a particular situation ( )

17. Theory X seeks to integrate the individuals and organizational goals. ( )

18. Cognition is the act of knowing an item of information. ( )

19. While values are specific, attitudes are a broader and more encompassing concept. ( )

20. Learning may play a crucial role in the development of a perceptual set. ( )

PART B — (10 × 2 = 20 marks)

Answer any TEN questions.

CONCEPT TESTING.

21. What is workforce diversity?

22. What is perception? — 2

23. What is classical conditioning? — 2

24. What is Machiavellianism? — 2

25. What is halo effect? — 2

26. Explain rational decision making model. — 3

27. What is creativity? N la

28. Explain McClelland's theory of needs. — 2

29. What is Group think? — 3

30. What is organizational culture? — 5

31. What is team building? — 3

32. Explain the term "Change agents". — 5

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PART C — (5 × 10 = 50 marks)

Answer any FIVE questions.

DESCRIPTIVE TYPE.

33. Define organizational behavior and relate the same to Management of organizations. 1

34. Describe some of the factors that cause resistance to change. What steps can be taken to contain resistance and manage it effectively? 5

35. Define the term 'Power' and explain the major sources of power in organizational situations. 4

36. Define the term 'Conflict' and explain conflict– resolution and stimulation techniques. 3

37. Define "personality" and explain the role of culture in personality development. 2

38. What are the different types of motivation? Which one of these types is more, appropriate in the current business and industrial structure of the capitalist society? 2

39. Critically examine the findings of Hawthorne studies. – 2

40. What can organizations do to reduce employee stress? – 5

PART D — (1 × 10 = 10 marks)

CASE STUDY

41. Compulsory Question.

In February 2001, Infosys Technologies Ltd. (Infosys) was voted as the Best Managed Company is Asia in the Information Technology sector, in leading financial magazine Euro money's Fifth Annual Survey of Best Managed Companies in Asia. Infosys was started in 1981, by seven professional entrepreneurs led by Narayana Murthy, Chairman and CEO of Infosys with an equity capital of Rs. 10,000. By 2000, Infosys' market capitalization reached Rs. 11 billion and by 2001, Infosys was one of the biggest exporters of software from India. Narayana Murthy had built an organization that was respected across the country, with very strong systems, high ethical values and a nurturing working atmosphere.

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With his sound management skills, Narayana Murthy seemed to have taken Infosys to the pinnacle of success in two decades. From a turnover of Rs. 1.16 million in 1981, Infosys had grown to a Rs. 19 billion company in 2001. There were many firsts to Narayana Murthy's credit. Infosys was the first company to push for off-shore software development as against body shopping that was coming during the 1980s. He championed corporate governance in India. Infosys was the first Indian company to follow the US Generally Accepted Accounting Principles (GAAP) disclosure norms before going for a Nasdaq listing in 1999. Narayana Murthy was also the recipient of many wards.

Though Infosys grew to become a US$ 2 billion company by the year 2006, it still retained the culture of a small company. Infosys attracted the best talent from across the world, and recruited candidates by conducting one of the toughest selection process. All the selected candidates were required to go through an intensive 14 week training program. All the employees were required to undergo training every year, and some of the chosen employees were trained at the Infosys Leadership Institute to take on higher responsibilities in the company.

Infosys was one of the first companies to offer ESOPs to its employees. The company followed variable compensation structure where the employees' compensation depended on the performance of individual, the team and the company. The case highlights many such best practices of Infosys in human resource management. It also discusses the challenges faced by the company to retain its talented workforce.

Most of the HR practices of Infosys were a result of the vision of its founders and the culture that they had created over the years. The founders advocated simplicity and maintained the culture of a small company. The employees were encouraged to share their learning experiences.

While recruiting new employees, Infosys took adequate care to identify the right candidates. On the qualities that Infosys looked for in a candidate, Nilekani said. "We focus on recruiting candidates who display a high degree of 'learnability.' By learnability we mean the ability to derive generic knowledge from specific experiences and apply the same in new situations.

We also place significant importance of professional competence and academic excellence. Other qualities we look for are analytical ability, teamwork and leadership potential, communication and innovation skills, along with a practical and structured approach to problem solving".

Training at Infosys was an ongoing process. When new recruits from colleges joined Infosys, they were trained through fresher training courses. They were trained then on new processes and technologies. As they reached the higher levels, they were trained on project management and later were sent for management development programs, followed by leadership development Programs.

Infosys conducted a 14.5 week technical training program for all new entrants. The company spent around Rs. 2,00,000 per year on training each new entrant. The new recruits were trained at the Global Education Center (GEC) in Mysore, which had world class training facilities and the capacity to train more than 4500 employees at a time. GEC, which was inaugurated in February 2005 was spread over 270 acres and was the largest corporate training center in the world with 58 training rooms and 183 faculty rooms.

Infosys also conducted training programs for experienced employees. The company had a competency system in place which took into acount individual performance, organizational priorities, and feedback from the clients.

The Infosys Leadership Institute (ILI) was set up in 2001 to nurture future leaders in the company and to effectively manage the exceptional growth that the company was experiencing. At the Institute, the executives were groomed to handle the changes in the external and internal environment.

Performance Appraisal : The first step toward carrying out performance appraisal at Infosys was the evaluation of personal skills for the tasks assigned to an employee during the period of appraisal. To evaluate the performance, different criteria like timeliness, quality of work carried out by the employee, customer satisfaction, peer satisfaction, and business potential, were considered, The personal skills of the employees were also evaluated based on their learning and analytical ability, communication skills, decision making, change management, and planning and organizing skills. Each of these criteria was measured on a scale of 1 to 5 (with 1 signifying above the expected performance level and 5 below the expected performance level).

Infosys tried to preserve the attributes of a small company and worked in small groups, with decision–making remaining with those who were knowledgeable about particular processes. The managers played the role of mentors and used their experience to guide their team members.

During 1998–99, Narayana Murthy planned to position Infosys as a true global company–global clients, global operations, global staff and a global brand image. In 1998, to support his global ambition, Narayana Murthy listed the shares of Infosys on Nasdaq through American Depository Receipts (ADR) issue worth US$75 million. With this, he took the Indian software industry global.

Leaders in the making :

In August 2001, Narayana Murthy set up a Leadership Institute in Mysore, India, to manage the future growth of Infosys. The institute aimed at preparing Infosys employees to face the complexities of a rapidly changing marketplace and to bring about a change in work culture by instilling leadership qualities.

Commenting on the institute, Narayana Murthy said, "It is our vision at Infosys, to create world–class leaders who will be at the forefront of business and technology in today's competitive marketplace... We believe the Leadership Institute will play an instrumental role in equipping Infoscions to be leaders, contributing to the advancement of the IT industry".

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Narayana Murthy expected Infosys revenues to touch around Rs. 500 billi((US$12 billion) by 2008–09. Analysts felt that the two factors responsible f(the success of Infosys were Speed and Imagination. Narayana Murthy agree "Without these, we would be wiped out as fast as dew on a sunny mornin Actually, we have a fetish for excellence".

Question for Discussion :

"Narayana Murthy has always believed that human resources are the greate: asset of a company." Briefly describe the organization culture, value performance, motivating factors, success and HR policies of Infosys.