

UNIVERSITY OF SWAZILAND

FACULTY OF COMMERCE

DEPARTMENT OF BUSINESS ADMINISTRATION

SUPPLEMENTARY EXAMINATION PAPER

SECOND SEMESTER: JULY 2013

TITLE OF PAPER : ORGANIZATIONAL BEHAVIOUR II

COURSE CODE : BA 214 /BA 324 IDE

TIME ALLOWED : THREE (3) HOURS

- INSTRUCTIONS :**
- (1) TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS SIX (6)**
 - (2) THE PAPER CONSISTS OF SECTIONS A AND B.**
 - (3) ANSWER THE QUESTION IN SECTION A WHICH IS COMPULSORY AND ANY THREE (3) QUESTIONS IN SECTION B.**
 - (4) THE MARKS ALLOTTED FOR A QUESTION /PART OF A QUESTION ARE INDICATED AT THE END OF EACH QUESTION / PART OF QUESTION.**
 - (5) WHERE APPLICABLE, ALL WORKINGS / CALCULATIONS MUST BE CLEARLY SHOWN.**

NOTE: MAXIMUM MARKS WILL BE AWARDED FOR GOOD QUALITY LAYOUT, ACCURACY, AND PRESENTATION OF WORK.

THIS PAPER MUST NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.

SECTION A: COMPULSORY

Read the case and answer the questions that follow:

CASE: WORK REDESIGN IN AN INSURANCE COMPANY

The executive staff of a relatively small life insurance company is considering a proposal to install an electronic data processing system. The proposal is being presented by the assistant to the president, John Skully. He has been studying the feasibility of the equipment after a management consultant recommended a complete overhaul of jobs within the company.

The management consultant had been engaged by the company to diagnose the causes of high turnover and absenteeism. After reviewing the situation and speaking with groups of employees, the consultant recommended that the organization structure be changed from a functional to a client basis. The change in departmental basis would enable management to redesign jobs to reduce the human costs associated with highly specialized tasks.

The present organization includes separate departments to issue policies, collect premiums, change beneficiaries, and process loan applications. Employees in these departments complained that their jobs were boring, insignificant, and monotonous. They had stated that the only reason they stayed with the company was because they liked the small-company atmosphere. They felt that management had a genuine interest in their welfare but that the trivial nature of their jobs contradicted that feeling. As one employee said, "This company is small enough to know almost everybody. But the job I do is so boring that I wonder why they even need me to do it." This and similar comments had led the consultant to believe that the jobs must be altered to provide greater motivation. Recognizing that work redesign opportunities were limited by the organization structure, he recommended that the company change to a client basis. In such a structure, each employee would handle every transaction related to a particular policyholder.

When the consultant presented his views to the members of the executive staff, they were very much interested in his recommendation. In fact, they agreed that his recommendation was well founded. They noted, however, that a small company must pay particular attention to efficiency in handling transactions. The functional basis enabled the organization to achieve the degree of specialization necessary for efficient operations. The manager of internal operations stated, "If we move away from specialization, the rate of efficiency must go down because we'll lose the benefit of

specialized effort. The only way we can justify redesigning the jobs as suggested by the consultant is to maintain our efficiency; otherwise, there won't be any jobs to redesign because we'll be out of business."

The internal operations manager explained to the executive staff that despite excessive absenteeism and turnover, he was able to maintain acceptable productivity. The narrow range and depth of the jobs reduced training time to a minimum. It was also possible to hire temporary help to meet peak loads and to fill in for absent employees. "Moreover," he said, "changing the jobs our people do means that we must change the jobs our managers do. They're experts in their own functional areas, but we've never attempted to train them to oversee more than two operations."

A majority of the executive staff believed that the consultant's recommendations should be seriously considered. At that point, the group directed John Skully to evaluate the potential of electronic data processing (EDP) as a means of obtaining efficient operations in combination with the redesigned jobs. He has completed the study and is presenting his report to the executive staff.

"The bottom line," Skully says, "is that EDP will enable us to maintain our present efficiency, but with the redesigned jobs we won't obtain any greater gains. If my analysis is correct, we'll have to absorb the cost of the equipment out of earnings, because there will be no cost savings. So it comes down to what price we're willing and able to pay for improving the satisfaction of our employees. "

Questions:

- a) Explain which core characteristics of employees' jobs will be changed if the consultant's recommendations are accepted [5marks]
- b) Explain the following alternative job redesign approaches and indicate how they could be applied by the company:
 - i. Job enrichment [5marks]
 - ii. Job enlargement [5marks]
 - iii. Total quality management [5marks]
 - iv. The goal setting approach [5 marks]

[20 marks]
- c) What should the company be willing to pay for employees' job satisfaction? Defend your answer. [15 marks]

[TOTAL MARKS 40]

SECTION B

Answer any three (3) questions from this section