

MANAGEMENT AND ORGANIZATION

Organizational behavior and leadership (2291)

October 25th, 2012

Examiner: Denise Salin

Max points: 44p

Points needed to pass: 22p

Time: 4h

Please answer all the questions below. Write short and concise answers, but please ensure that you capture the central ideas.

1. What is meant by the following central concepts? Please define briefly (max 2 sentences per concept). *Scoring: you can get max 2 points per concept.*
 - a) Anchoring bias
 - b) Bounded rationality
 - c) Distributive justice
 - d) Intrinsic motivation
 - e) LMX
 - f) Psychological contract
2. Answer the following questions briefly (max ½ page [200 words] per question). *Scoring: you can get max 4 points per question.*
 - a) What are the central elements of transformational leadership?
 - b) What are the central ideas of expectancy theory?
 - c) What is groupthink?
3. Social perception is important when we recruit and select new employees, assess employee performance and explain underperformance. Discuss typical mistakes/errors that we often (unconsciously) make when evaluating other people and when explaining their behaviour. Write max 2 pages. *Scoring: you can get max 10 points for this question.*
4. Please read the attached mini-case. Bruce Cannon acknowledges that different situations require different leadership styles. Select an appropriate leadership theory and use it to discuss how Bruce should lead each of his subordinates (Write max 2 pages in total). *Scoring: you can get max 4 points for part a) and 6 points for part b).*
 - a) Name the theory that you have chosen and briefly explain the central ideas of the theory.
 - b) What style should Bruce use with each of the subordinates? Remember to provide arguments based on the theory you have chosen.

GOOD LUCK!

What Style Do I Use?

Bruce Cannon is the owner of a 5-year-old small plastics company that employs about 20 people. The company consists of three areas: engineering, sales, and production. For each of these areas, there is a single manager.

Rick Nakano heads the engineering crew. He is a seasoned engineer and is the oldest employee in the company (he is 55 years old). Rick was hired because of his engineering ability and experience.

Before joining the company, Rick worked for 20 years as an engineer for Ford Motor Company. His coworkers perceive him as very competent, even-tempered, and interested in the company.

Rick has been spending most of his time in recent weeks on developing a long-range plan for the company. His goal is to develop a creative model for making decisions about future expenditures for materials, equipment, plant development, and personnel. Rick feels good about the way upper management has reacted to the first drafts of his plans.

Beth Edwards heads the sales force, which is the smallest unit in the company. Beth is the most recent hire in the company and has 15 years of sales experience in a different product area. Beth's peers see her as highly motivated but not too knowledgeable about the company's products. Beth's goal is to increase the company's annual sales by 30%. However, the first quarter sales figures indicate the rate of growth to be only 2%.

Although Beth has been upbeat since the day she arrived, in recent weeks there have been problems in her department. Her sales staff talks about how little she knows about the plastics industry. In discussions about new products, Beth often is confused. In addition, she has difficulty describing the company's capabilities to customers because she does not understand fully how a plastics company of this type functions.

Steve Lynch is the manager of production and has been with the company since its inception. Steve started out with the company just out of high school, working on the line, and moved up in the company as a result of his hard work. His goal is to streamline production and decrease costs by 10%. He knows production backward and forward but is a bit apprehensive about his new role as production manager. In fact, Steve is afraid he might fail as manager. He does not know whether he is ready to have others depend on him when he has always been the one depending on others. The owner, Bruce, has great faith in Steve and has had several meetings with him to clarify his role and reassure him that he can do the work. He is certain that Steve will be an outstanding production manager.

Bruce meets weekly with each of his managers to talk about how their groups are fitting in with the overall company goals. In his upcoming weekly conference, he wants to discuss with them what new procedures they could implement within their departments to improve their long-term performance. Bruce is wondering how he should approach each of his managers.