K. J. SOMAIYA INSTITUTE OF MANAGEMENT STUDIES AND RESEARCH,
Vidyavihar, Mumbai- 400077
Program: *PGDM/ (Batch2018-20), Trimester I*
Subject: Leadership and Organization Behavior

(End term Examination)

Maximum Marks: 50   **Duration: 3 hours**   **Date:28/09/2018**

Instructions

Questions 1 is compulsory (15 marks). Please attempt **only one of the two choices** given in question 1. **Attempt any 5** from question number **2-9 (7 marks each)**

SHORT Case I

"Not many people grow up wanting to be in insurance, so we have to attract the best people by being a first rate employer" notes the CEO of Hiscox plc, the UK's leading specialist Insurance group. The company has evidently achieved its goal. In 2004 it was the top financial services company on the London *Sunday Times' "100 best Companies to Work for"* list.

In the UK, Hiscox has 350 employees. More than 70% of them own company stock, on which the company gives them 20% discount. One of the key aspects of the Hiscox management system is the commitment to employee development. Beyond its regular performance and developmental appraisals, the company helps employees develop a 'Hiscox Career Roadmap'. It also does competency appraisals that help employees determine their own development needs. It makes a significant investment in employee training.

Andrew Underwood, head of political Risks, is an employee who was given the opportunity to move up and try a new career direction despite not having the prerequisite advanced degree. He says of the company, "The management are very supportive of what we are doing, and in providing guidance and making themselves available." Not surprisingly, he believes the best things about working for Hiscox is the career opportunities it has given him. He describes his work day as rather structured, including internal meetings, discussion of client cases, client meetings and underwriting – all in all, the best way to meet client needs. He also relates to the company's emphasis on excellence. "We are never satisfied." Among Hiscox employees, 82% believe they are able to make a difference to the success of the company, and 83% say they are excited in the direction in which the company is going.

1. Identify the extrinsic and intrinsic motivators at Hiscox. Which of the above factors according to you are the more powerful motivators? Justify your answer using any motivational theory. (15 marks)

OR

SHORT Case II

Several service representatives are upset that a newly hired representative with no previous experience will be paid Rs. 10,000/year above the usual starting salary in the pay range. The department manager explained that the new hire would not accept the entry level rate, so the company raised the offer by Rs 10,000. All the five representatives currently earn a salary near the top of the scale (nearly Rs. 50,000 higher than the new recruit), although they all started at the minimum starting salary a few years earlier.

Use the Equity theory to explain the feelings of the representatives with reference to the new hire. What actions can be taken to counter the experience of inequity? (15 marks)

Attempt any 5

2. Describe how a manager or a coach would use 'self-fulfilling prophecy' to enhance an individual's performance in organization. (7 marks)

3. You have been asked to develop a training programme for interviewers to improve their social perception skills. What principles of social perception skills would you include in training programme? What according to you are the issue of barriers to social perception and ways to avoid these barriers? (7 marks)

4. You are part of a group making a decision about whether it is appropriate to discontinue research on a new drug. This new drug would save lives, but it is uncertain whether you can develop it within a reasonable time frame and at a reasonable cost. Your firm has already spent a small fortune on this drug. You have gathered so much information in preparation to making the decision that you are unable to sort the good information from the superfluous data. What are some of the decision making traps that you need to be aware of to ensure you take a well thought through decision? Explain the traps identified. (7 marks)

5. Describe the concept of social loafing. Why does social loafing occur? What can be done to avoid social loafing in the workplace? (7 marks)

6. Explain with example the concepts of Group Think and Group Shift (7 marks)

7. Nunya is a computer software company that employs highly intelligent, but somewhat unusual people. Every Friday, free lollipops, toys, or other treats are given out to encourage employees to remember how creative they were when they were children. At the beginning of each quarterly executive meeting, employees are reminded that the founders were three young people who "got lucky" and sold a video game that they invented. Employees are allowed to dress in blue jeans and can set their own working hours.

How is the organization keeping its culture alive? How can Nunya leverage its

culture? Where can this culture act as a barrier to growth? (7 marks)

8. Mintz's Motor Repair is moving its location to a larger community 100 miles away. Mintz would like for its mechanics to move with the company but realizes that there will be some hardships associated with the move. Mintz has decided to use Lewin's model in order to make the change.
   Explain with reason the following moves: (7 marks).
   As a manager in charge of the relocation effort, you are offering a $2,000 moving bonus for any employee who will go to the new location.
   You counsel each employee individually, trying to lessen each person's fears about the move.

9. Discuss the difference between leadership and management. Explain the leadership theory that states that effective group performance depends on the proper match between a leader's style and the degree to which the situation gives control to the leader? (7 marks)