



MBA ODL

**FINAL EXAMINATION
JANUARY 2024**

Course: OBM4401
(ORGANIZATIONAL MANAGEMENT)

Duration to Complete: 3 HOURS

Lecturer: DR. NURHAFIZAH ZAINAL

Start Time: 9.00 AM, 21 APRIL 2024

End Time: 12.00 PM, 21 APRIL 2024

Instructions to Candidates:

This examination has a total of 100 marks and accounts for 30% of the final assessment of the subject.

- a. There are TWO Sections; Section A (Case Study) and Section B (Essay Questions).
- b. Students need to answer **ALL** the questions.
- c. This examination paper is confidential. The questions must be answered individually. Students are **NOT PERMITTED** to discuss or consult with other students or individuals.
- d. The questions should be answered with reference to relevant theories and/or concepts introduced throughout the module and recommended reading.
- e. Students may refer to any materials upon completing the final exam.

Answer Format:

- I. Do not write your name on any materials related to the exam. Use only your Student ID Number for identification.
- II. Your answer can be submitted via **Word document only**.
- III. Please use **Times New Roman, 12 with 1.5 spacing**.
- IV. Turnitin report should be **less than 20%**.
- V. Please save your answers in the following format:
STUDENT ID_COURSE CODE_COURSE TITLE_LECTURER NAME
- VI. Your answer file must be submitted in the Moodle.

This exam paper consists of **TWO (2)** printed pages (excluding the front cover).

SECTION A: CASE STUDY (50 MARKS)

Instruction: Read the following case carefully and answer the questions which follow.

Air Canada Employee Morale Flies Low

Air Canada, Canada's national airline, has cut costs extensively in recent years while fighting possible bankruptcy. However, the difficulties faced by Air Canada have taken a toll on employee morale to the extent that staff could derail the company's current course of action. Much of employee anger is directed toward CEO Robert Milton. Employees were particularly upset when Milton negotiated a \$20 million bonus for himself from proposed new investor Victor Li of Li Investments, on the condition that Milton remain in the top leadership position for four years. Meanwhile, Milton asked his employees to take over \$1 billion in cuts to their pay and benefits.

Despite severe financial trouble in the airline industry in recent years, some airlines have been a success. For example, Southwest Airlines of Texas has been listed among the 100 best companies to work for in America. The company uses a no-layoff policy as a positive motivator. Southwest is a profitable airline known for recruiting the best and brightest people it can find and has a reputation for providing its staff with excellent compensation packages, opportunities for rapid advancement and professional growth, and challenging and interesting assignments. Management uses special interviewing and screening methods to hire people who can have fun on the job and demonstrate outgoing personality traits that create a high-spirited, fun-loving in-flight atmosphere for passengers. The hiring process is so selective that only 3 percent of people who apply at Southwest are offered jobs.

While Air Canada employees may question Milton's style, the CEO does have supporters. Karl Moore, a leadership and aviation expert, claims that Milton is one of the top airline CEOs in the world. Sunny Gordon of Li Investments believes that leaders should have a stake in their companies to produce expected results. He also believes Milton deserves a bonus if results are appropriate and Milton is able to repair relationships with employees.

Canadian-born Don Carty provides an example of what happens when airline employees feel they have not been treated fairly. Carty joined American Airlines (AA) as CEO in 1998. His employees agreed to almost \$2 billion in concessions in 2003. To try to save the company from bankruptcy before discovering that the year before, Carty and other senior executives were quietly offered big bonuses (\$1.6 million just for Carty) to encourage them to keep their jobs. Outraged employees threatened to back out of their agreements and Carty resigned. For Carty, the mistake was not just in accepting the bonus but in hiding it as well. Carty's message to Milton: "If you take a bonus while your employees take cuts, your credibility is shot."

Questions:

1. Discuss Needs Theories of motivation applied by Southwest Airlines to motivate its employees. (10 Marks)

2. By using expectancy and equity theory, explain the outrage employees at American Airlines felt when they found out about Don Carty's hidden executive bonus?
(10 Marks)
3. Air Canada employee stated, "Milton treats us all the same-complete disregard and hatred."
Discuss FIVE (5) methods that CEO Robert Milton can apply to rebuild employee's morale and improve motivation by using the lessons and examples from Southwest Airlines and American Airlines?
(20 Marks)
4. Explain source of power that CEO Robert Milton received during his tenure at Air Canada that influence his leadership style?
(10 Marks)

SECTION B: ESSAY QUESTIONS (50 MARKS)

Instruction: Answer ALL the Questions

1. Discuss the employee and environmental contingencies relating to the leaders' behaviours for leader effectiveness.
(20 Marks)
2. Applying the Team Effectiveness Model, how to expedite task accomplishment among team, satisfying team member needs, and maintaining team survival?
(20 Marks)
3. Evaluate the accuracy of the following proposition:
"Without employees, an organization has no organizational memory"
(10 Marks)

-END OF QUESTION PAPER-