Victoria University of Bangladesh

Final Assessment.

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BBA program

Course title : Organizational Behaviour

Course Code : MGT - 216

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Answer to the question No : 4

a) **profit sharing plans** : A profit-sharing plans distributes compensation based on some established formula designed around a company's profitability. Compensation can be cash outlays or, particulary for top managers, allocation of stock options.

b) **Merit based pay** : A merit-based pay plan pays for individual performance based on performance appraisal ratings. A main advantage is that people thought to be high performance can get bigger raises. If designed correctly, merit-based plans let individual perceive a strong relationship between their performance and their rewards.

c) job Rotation : job rotation is the periodic shifting of an employee from one task to another with similar skill requirements at the same time organi-zational level. If employees suffer from overroutinization of their work, one An alternative is job rotation.

d) job enrichment : job enrichment expands jobs by increasing the degree to which the worker controls the planning. execuation and evaluation of the work. An enriched job organizes tasks to allow the worker to do a complete activity, in-creases the employee's freedom and inde-pendence responsibility and provides feedback so individuals can assess and correct their own performance.

Answer to the question No 3.

Discuss about Douglas Mc Gregor's theory X and theory Y :

Douglas McGregor proposed two distinct views of human beings: one basically negative, lebeled theory X. and the other basically positive, lebeled theory Y. After studying managers' dealing with employees, McGregor concluded that their views of the nature of human beings are based on certain assumptions that mold their behaviour.

Under Theory X, managers believe employees inherently dislike work and must therefore be directed or even coereced into performing it. Under Theory Y, in contrast, manager assume employees can view work as being natural as rest or play, and

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and therefore the average person can learn to accept, and even seeks, responsibility.

To understand more fully, think in term of Maslow's hierarcey. Theory Y assumes higher-order needs dominate individuals. McGregor himself believed theory Y assumptions were more valid than Theory X. Therefore he proposed such ideas as participative decision making, responsible and challenging jobs. and good group relations to maximize an employee's job motivation.

Unfortunetly, no evidence confirms that either set of assumption is valid or that action in theory Y assumption will lead to more motivated workers. OB theory need ~~optical~~ empirical support before we can accept them. Theory X and Theory Y lack such support as much as hierarchy of needs.

Answer to the question No 1.

The Big five Model : The five-stage group-development model characterizes groups as proceeding through the distinct stages of forming, storming, norming, performing and adjouring.

The first stage, forming stage : forming stage is characterized by a great deal of uncertainity about the group's purpose, structure and leadership. Member's "test the waters" to determine what types of behaviour are acceptable. this stage is complete when members have begun to think of themselves as part of a group.

The storming stage : The storming stage is one of intragroup conflict. Members acept the existance of the group but resists the constraints it impose on individually.

There is conflict over who will control the group. when this ~~&~~ stage is complete. There will be relatively clear hierarchy of leadership within the group.

In the third stage close close relationship develope and group demonstrate cohensiveness. there is now a strong sense of group ideanty and ~~chenrae~~ camaradetric. This norming stage is complete when the group structure soldiers and the group has assimilated a common set of expecta-tation of what define correct member behaviour.

The fourth stage is performing. The structure at this point is fully functional and accepted. Group energy has moved from getting to know and understand each each other to performing the task at hand.

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For permanent work groups, performing is the last stage of in development. However, for temporary committees, teams, tasks forces and similar groups that have a limited task to perform. The adjourning stage is for wrapping up activities and preparing to disband. Some group members are upbeat, basking in the group ~~co~~ accomplishments. Other's may be depressed over the loss of camaraderie and friendships gained during the work groups life.

Answer to the question No: 2

The common Biases and Error in Decision Making: Decision makers engage in bounded rationality. but they also allow systematic biases and errors to creep into their judgements. To minimize effort and avoid difficult trade-offs, people tend to rely too heavily on experience impulses gut feelings, and convenient rules of thumb. these shortcuts can be helpful. However, they can also distort rationality. Following are the most common biases in decision making.

Overconfident Bias: It's been said that "no problem in judgement and decision making is more prelevent and more potentially catastrophic than overconfidence. when people say 90 percent confident about confident

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about the range a certain number might take their estimated ranges contain correct answer only about 50 percent of the time and experts are no more accurate in setting up confidence intervals than are novices.

Anchoring Bias : A tendency to fixate on initial information, from which one then fails to adequately adjust for subsequent information.

Confirmation Bias : the tendency for seek out information that real firms past choices and to discount information that contradicts past judgement availiability bias: the tendency for people to base their judgement on information that is readily available to them.

escalation of commitment: An increased commitment to a previous decision in spite of negative information.

randomness error: the tendency of individuals to believe that they can predict the outcome of random events.

risk aversion: the tendency to prefer a sure gain of a moderate amount over a riskier outcome, even if the riskier outcome might have a higher expected payoff.

hindsight bias : the tendency to believe falsely, after an outcome of an event is actually known, that one would have accurately predicted that outcome.

Application: Financial Decision Making : the discussion of decision making errors may have you thinking about how organizations and individual make financial decision. One of the core problems that created the financial crisis was that loans were made to individuals who could not repay them, and finance companies purchases these bad debts without realizing how poor the prospect of prepayment.