



**STRATHMORE BUSINESS SCHOOL**  
**BACHELOR OF FINANCIAL SERVICES**  
**END SEMESTER EXAMINATION**  
**BFS 2204: ORGANIZATIONAL DYNAMICS**

**DATE:** Wednesday, 18<sup>th</sup> December 2024

**TIME:** 10:30 – 12:30

---

**Instructions:**

Answer Question **ONE** and any other **TWO** Questions.

**QUESTION ONE**

**Case Study: ABC Ltd**

ABC Ltd. is a restaurant and hotel located along Thika road in Nairobi County and has 150 employees. It has always had a very traditional organization with senior managers, departmental supervisors, headwaiters, bar staff, cleaners and administrators.

The Senior manager, Mr. JJ, recently attended a course for managers in the hospitality industry and is considering changing the operations in the hotel to increase staff motivation and team working. The terms empowerment and team work were constantly used in the course. Empowerment is a frequently used buzzword in management courses. Empowerment means staff can make decisions. If organisations in the hospitality industry want to remain successful, they need to be driven by their staff on customer service.

Guests appreciate dealing with people who are empowered. The last thing an arriving guest needs is to be given the run-around, going through 'layers' of management to get what they need. Empowerment means, rather than becoming defensive, staff assume accountability mistakes and put them right.

Team work means that various departments in the organisation work together instead of working in silos to create solutions for the organisation. The employees and managers should be seen as part of a team. Terms such as 'staff member' illustrate teams better and reinforce working together. This creates a culture of 'leadership teamwork' for the staff working with guests.

Mr. JJ has decided to form a team to help him deal with the current issues he is dealing with. He has approached you as an Organisational Theory and Behaviour student to advise him on the following;

**Required:**

- a) Mr. JJ is confused and does not understand the differences between groups and teams. Evaluate **four** differences between groups and teams. **(8 marks)**
- b) Explain **six** factors that Mr. JJ should put into consideration in order to build a successful team. **(6 Marks)**
- c) Using relevant examples, identify and explain to Mr. JJ the four levels of empowerment that he can utilize in his organisation. **(8 marks)**
- d) Using relevant examples, explain the following terms;
  - i. Group think: **(4 marks)**
  - ii. Bounded rationality in decision making: **(2 marks)**
  - iii. Internal locus of control: **(2 marks)**
  - iv. Organisational learning **(2 marks)**

**Total 30 Marks**

**QUESTION TWO**

At the early stage of my career when I didn't understand how politics works, I was seeing it as a negative thing, something that I would like to avoid because it was not clear for me how to use it. And then I developed an understanding of the organization. I was getting to the perspective that this is really without any positive or negative aspect itself, it is based on how you are using it. And some people have very negative opinion about politics because politics is influencing people outside of the normal influencing path. But there is nothing wrong with that as long as you're not using it for achieving something which is not good. In my opinion politics is like energy or money – it depends where you put it. You either have good results or bad results. So. It really depends how you're using it. (Adrian)

**Required**

- a) Differentiate between Organizational politics and power? **(4 marks)**
- b) Discuss **THREE** major causes of negative politics in organizations **(6 marks)**
- c) What are the consequences of an overly political organization? **(5 marks)**

**Total 15 Marks**

### QUESTION THREE

A French based company recently acquired a Swedish firm and soon after, conflict among managers emerged. The Swedes perceived the French management as hierarchical and arrogant, whereas the French thought the Swedes were naive, cautious, and lacking an achievement orientation.

- a) Identify the source of conflict that best explains this conflict. Justify your answer. **(2 marks)**
- b) Discuss the best strategy that the French Managers can use to reduce conflict in the Swedish acquired organisation. **(3 marks)**
- c) The French managers can use power to manage politics in the organisation. Identify and explain any **five** sources of power that the French managers can utilize. **(10 marks)**

**Total 15 Marks**

### QUESTION FOUR

In today's fast changing environment, organizations no longer have the luxury of waiting to see what happens. In fact, 'late adopter' is the same thing as 'out of business'.

Considering this;

- a) Define Organizational Development (OD) and discuss two (2) key features of OD **(3 marks)**
- b) Discuss **three** trends shaping change in organizations **(6 marks)**
- b) Discuss **four** ways in which organizations are responding to the changes and the role of OD in helping organizations change **(6 marks)**

**Total 15 Marks**

### QUESTION FIVE

Joy is in a dilemma and she doesn't know whether to continue working in her current organization or change her employer and profession all together as a Director of audit in one of the big four auditing firms. She doesn't know the best way to balance her life which is making her feel overwhelmed and sick. She is often feeling anxious and has trouble sleeping. She has recurring bouts of acid indigestion and sometimes falls into what she describes as a "black funk" for several days, calling in sick and staying in bed watching reruns of 70s TV shows.

Joy is the first born in her family of five siblings. As the first born and the only girl in the family, she is convinced that she has to give a good example to her siblings by setting high standards in whatever she chooses to do. She graduated with first class honours in electrical and electronics engineering from the University of Nairobi (UoN). After graduating she was employed by one of

the big four auditing firms in Kenya where she has been progressively promoted her current position overseeing auditing services to multinational companies. Joy enjoys her work which entails travelling at the expense of the company. Her overall performance has always been excellent that she has been highlighted for succession as a partner. However, she is now doubting whether life is about proving herself in professional life. These concerns have been causing her ongoing anxiety and confusion in her life.

**Requirements:**

- a) Using the five dimensions of Emotional Intelligence, discuss the dimensions that should help Joy manage her situation **(10 marks)**
- b) Explain **FIVE** ways that Joy can regulate her emotions **(5 marks)**  
**(15 marks)**

**THE END**