

The
Management
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POST GRADUATE UNIVERSITY EXAMINATIONS
SCHOOL OF MANAGEMENT AND LEADERSHIP
DEGREE OF MASTER OF BUSINESS ADMINISTRATION/
DEGREE OF MASTER OF MANAGEMENT AND
LEADERSHIP

**MML 5110/ SMO 505: LEADERSHIP AND ORGANIZATIONAL
BEHAVIOUR**

DATE: 4TH AUGUST 2026

DURATION: 2 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory**.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the case study below and answer the questions that follow:

THE CULTURAL AND STRUCTURAL CRISIS AT TECHNOVA

TechNova is a medium-sized software development firm based in Nairobi that has enjoyed rapid growth over the last five years. Historically, the company operated under a flat, agile, and informal structure that encouraged innovation and high levels of employee autonomy. However, following a series of market shifts and increased competition, the CEO recently implemented a top-down, rigid, and bureaucratic organizational structure to "standardize" workflows and improve bottom-line efficiency.

The transition was executed with minimal employee consultation, and the new structure emphasizes tight supervision and standardized procedures. Since this implementation, the company has witnessed a sharp decline in overall productivity and a significant drop in employee morale. Internal climate surveys reveal that many of the company's most talented senior developers feel marginalized, reporting that their expertise is no longer valued. Furthermore, the lack of transparency surrounding the change process has led to widespread rumors, anxiety, and a feeling that the organization's culture has shifted from one of collaboration to one of fear and silence.

Recent exit interviews highlight those key personnel are leaving for competitors that offer more flexible work environments. Those who remain are struggling with high levels of workplace stress, as the new structure conflicts with their established perceptions of how high-quality software should be produced. Department heads, who were once the bridge between management and the technical teams, have expressed frustration at being excluded from the strategic decision-making process, leading to a breakdown in trust between leadership and the workforce. As the organization faces these challenges, there is a mounting pressure to reconcile the need for structural efficiency with the requirement for a motivated, creative, and empowered workforce.

Required:

- a)** Using the MARS Model of Individual Behavior, explain **five (5)** the potential factors contributing to the decline in employee performance at TechNova.

**(10
Marks)**

- b)** Evaluate the "top-down" approach to change management used by the CEO. Drawing on the course content, discuss why this approach likely triggered resistance.

(10 Marks)

- c)** Analyze the leadership crisis at TechNova. Using Transformational Leadership concepts outline three specific strategies the CEO could use to rebuild trust and align employees with the company's vision and mission.

(10 Marks)

QUESTION TWO

- a)** Differentiate between Groups and Teams, and describe the key stages of group development that occur within an organization.

(8 Marks)

- b)** Explain how Organizational Culture is created and sustained, and discuss how employees learn this culture within a workplace.

(7 Marks)

QUESTION THREE

- a)** Evaluate the significance of Emotional Intelligence (EI) within a professional environment.

(8 Marks)

- b)** Identify and explain three Bases of Power in organizations, and discuss the ethics of using these power tactics to influence employee behavior. **(7 Marks)**

QUESTION FOUR

- a) Explain How Equity Theory of motivation help managers understand why employees might choose to work less hard despite being offered financial bonuses

(8 Marks)

- b)** Describe the Perceptual Process and explain how cognitive biases like Stereotyping and Attribution errors can negatively affect decision-making and performance appraisals.

(7 Marks)