

UNIVERSITY OF SWAZILAND  
 FACULTY OF COMMERCE  
 DEPARTMENT OF BUSINESS ADMINISTRATION  
 SUPPLEMENTARY EXAMINATION 2005

---

TITLE OF PAPER: ORGANISATIONAL BEHAVIOUR

DEGREE AND YEAR: DIPLOMA IN COMMERCE 111

COURSE NUMBER: **IDE BA 322-1**

TIME ALLOWED: TWO (2) HOURS

**INSTRUCTIONS**

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. THE CASE STUDY IN SECTION A IS COMPULSORY
3. ANSWER ANY TWO QUESTIONS FROM SECTION B

NOTE: YOU ARE REMINDED THAT IN ASSESSING YOUR WORK, ACCOUNT WILL BE GIVEN OF THE ACCURACY OF LANGUAGE AND THE GENERAL QUALITY OF EXPRESSION, TOGETHER WITH THE LAYOUT AND PRESENTATION OF YOUR FINAL ANSWER.

THIS PAPER MUST NOT BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION.

*GOOD*

*LUCK!!!*

✓

Supplementary exam (IDE BA 322-1)

**SECTION A: COMPULSORY**

**Read the case below and answer the questions that follow.**

**Case study: Nordstrom Culture**

Nordstrom employees are fond of this story: when this speciality retail chain was in its infancy, a customer came in and wanted to return a set of automobile tires. The sales clerk was a bit uncertain how to handle the problem. As the customer and sales clerk spoke, Mr Nordstrom walked by and overheard the conversation. He immediately interceded, asking the customer how much he had paid for the tires. Mr. Nordstrom then instructed the clerk to take the tires back and provide a full cash refund. After the customer had received his refund and left, the perplexed clerk looked at the boss. "But, Mr. Nordstrom, we don't sell tires!" "I know, replied the boss, "but do whatever we need to make the customer happy. I mean it when I say we have a no-questions-asked return policy". Nordstrom then picked up the telephone and called a friend in the auto parts business to see how much he could get for the tires.

Without sacrificing style, variety, value, Nordstrom distinguishes itself from its competitors by its service. Each store employs a concierge stationed near the entrance to help customers with special requests. Cheerful Nordstrom employees are readily available to assist customers and they will go to incredible lengths to make a sale. It is not unusual, for example, for a sales person to call a Nordstrom store hundreds of miles away to see if it has the item the customer wants. If it does, the sales person has it shipped. Upon its arrival, the sales person may personally deliver the item to the customer's home. And how many sales people have you encountered who take time to write thank you notes to customers? They do at Nordstrom!

In contrast to the practice at many retailers, almost every Nordstrom executive started on the selling floor, Nordstrom rewards its salespeople with a salary, commission, and profit-sharing package that is among the highest in its industry. University graduates start at \$24, 000 a year and top-performing sales people can make more than \$80, 000. But the Nordstrom culture isn't for everyone. Its intense competition atmosphere generates high job turnover, especially during the first year of employment.

The firm's rapid growth has meant quick promotion for those who produce. The company has been expanding rapidly in recent years, such that within ten years it had grabbed over a third of the market and has branches throughout the US. By 2006, it intends to achieve its goal of eighty stores and sales of more than \$5 billion. Most speciality stores shiver at the thought of competing against Nordstrom. They know it has a service culture that works.

It also makes plenty of money. The company has the highest sales of any department store, nearly twice the industry average. And Nordstrom's profit growth ranks in retailing top tier.

One big question outsiders continually ask about Nordstrom is: can it clone its culture in all its new stores? Management is certain it can. Its secret? Bring in transplants from other Nordstrom stores. For instance, in Paramus New Jersey, two hundred of the eight hundred employees who opened the store were permanent transfers from other Nordstrom branches. They acted as role models for conveying to new recruits what the Nordstrom service culture is all about.

**Questions:**

- a. Compare most of the departmental store's customer service culture in Swaziland with that of Nordstrom's. (20 marks)
  - b. What is the effect of Nordstrom culture on its employees? (10 marks)
  - c. If the Nordstrom's culture has proved so successful, why don't competitors copy it? (20 marks)
- Total** **50 marks**

**SECTION B**

**Answer any two (2) questions from this section**

- 2. What are the major personality attributes influencing organisational behaviour? (25 marks)
- 3. What is the significance of understanding organisational behaviour to any practicing manager? (25 marks)
- 4. What are the major impediments that have delayed the development of organisational behaviour into a distinct field of study? (25 marks)
- 5. Discuss the major characteristics of groups and their influence on their effectiveness. (25 marks)

