

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE

BCOM 351/302: ORGANIZATIONAL THEORY

STREAMS: BCOM, BED, BCOP, BEEM, AGBM

TIME: 2 HOURS

DAY/DATE: FRIDAY 26/03/2021

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS: ANSWER QUESTION ONE AND ANY OTHER TWO

QUESTION ONE

A mega retail outlet with headquarters in Europe is considering establishing a branch in Nairobi, Kenya and will engage approximately 2000 employees. The company has engaged a business consultant to advice about the kind of structure that would be ideal for such an outlet. The consultant has embarked on the assignment.

Required:

- (a) Identify the factors that will inform the consultant in advising the outlet on the kind of structure to put in place [10 marks]
- (b) Explain seven characteristics that define organizations and show why the government will automatically be one of the stakeholders of this mega outline. [10 marks]
- (c) Using relevant examples explain how the following approaches can be used to measure effectiveness of a concern like this mega outlet
 - (i) Goal approach [5 marks]
 - (ii) Systems resource approach [5 marks]

QUESTION TWO

(a) In his scientific approach to management, Fredrick Taylor observed that each job should be broken down into small elements and each element performed by a specialist in that area. Explain the advantages that organizations are likely to enjoy from highly work specialization by employees.
[10 marks]

(b) Although bureaucracy brings with it much value to organizations, opponents have argued that it brings with it more harm than good. Discuss the basis of such criticisms.
[10 marks]

QUESTION THREE

(a) The Hawthorne's studies by Elton Mayo made positive contribution in the area of human relations movement. Discuss this contribution [10 marks]

(b) Explain the key factors that determine the level of decentralization of authority in a service based organization. [10 marks]

QUESTION FOUR

(a) Distinguish between closed and open systems and clearly lay out the key characteristics that are unique to open systems. [10 marks]

(b) Organizational change is usually triggered by factors from within and outside the organization. Using practical examples, explain any four internal factors that can lead to organizational change and show how utilization of Kurt Lewin ideas can reduce resistance to change.
[10 marks]
