CHUKA   **UNIVERSITY**

UNIVERSITY EXAMINATIONS

**EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF COMMERCE
and bachelor of EDUCATION AND RESOURCE DEVELOPMENT**

BCOM 351/BUST 312: ORGANISATIONAL THEORY

STREAMS: **TIME: 2 HOURS**

DAY/DATE: MONDAY 4/12/2017   **11.30 A.M – 1.30 P.M**

INSTRUCTIONS:

- **Answer question one and any other two questions**

1.   (a) KEMCO is a multinational insurance firm located in Kenya . The organization is in
        financial crises which is threatening its survival. As a business consultant you have been
        approached for advice to help strengthen the financial base. On assessment you discover
        the organization is too bureaucratic in nature.   [10marks]

        (a) Enlighten the management on how bureaucracy may be contributing to their
        problems.   [10marks]

        (b) Explain how the output based preferential pay system advocated by Fredric Taylor
        would remedy the situation.   [10marks]

        (c) As a consultant, you are aware of the concept of change resistance. Advise the
        management on ways in which they could reduce resistance to change which may occur
        based on your possible recommendations.   [10marks]

2.   (a) Although organizational effectiveness means different things to different people there
        is consensus that it is about quality and productivity. Identify an organization well known
        to you and show the dimension that could be used to measure the quality of their products
        or services.   [10marks]

        (b) Using practical examples explain the ways in which flat structures can reduce
        organizational costs.   [10marks]

3.   (a) Explain the ways in which an organization would ensure effective delegation of responsibility.   [10marks]

        (b) Explain why an organization may be opposed to decentralization of authority.
                                                                                              [10marks]

4.   (a) Any meaningful change in an organization can only start from an individual employee. Discuss this statement.   [10marks]

        (b) Explain the implications of McGregor's theory Y to a manager working in an organization in the production industry.   [10marks]