

THARAKA



UNIVERSITY

COLLEGE

UNIVERSITY EXAMINATIONS

THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE  
OF BACHELOR OF COMMERCE

BCOM 351: ORGANIZATION THEORY

STREAMS: BCOM (Y3S1)

TIME: 2 HOURS

DAY/DATE: MONDAY 06/04/2020

2.30 P.M. – 4.30 P.M.

**INSTRUCTIONS:**

- Answer question ONE and any other THREE questions
- Do not write anything on the question paper

**QUESTION ONE: CASE STUDY (COMPULSORY)**

**KENYA DAIRY FARMS AND MANAGEMENT AUTHORITY**

Kenya dairy farms and management authority is a state corporation offering farm inputs, production, marketing, research and development advisory services. The authority has its headquarters in Nairobi, which directs the activities of eight Branch offices located in major counties in Kenya. The headquarters has a range of senior line managers and researchers, all of whom have served for a number of years in agribusiness enterprises in Kenya and beyond. Each branch is headed by a branch manager, who usually has four or five direct reports, such as the farm inputs manager, production manager, marketing manager and research and development manager etc. Each of these departmental managers has between three and five section leaders or their equivalent.

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The authority's policy in matters of promotion and management succession is to identify and prepare existing staff, rather than to recruit outsiders. Major features of the Authority's personnel practices are Human Resource Planning and the Appraisal Scheme.

Implementation of Human Resource planning practice has been slow due to some internal challenges facing the authority.

On the other hand the appraisal scheme has come under criticism from both manager and staff on grounds of the vagueness of the performance criteria, and thus the underlying unfairness of eventual assessments. It has also been expressed that as the appraisals are only carried out annually, they are too remote from the fast changing conditions operating in the branches.

The general manager has discussed the issue with the personnel manager, who has agreed to revise the scheme so that it reflects performance on the job rather than personal qualities. It has also been agreed that the entire appraisal procedure will be reviewed at the same time.

### **Required:**

(a) Discuss the possible strengths and weaknesses of this organization's divisional design [10 marks]

(b) With examples from the authority, explain the main features of an organization. [10 marks]

(c) Discuss the factors that influence group cohesiveness at this authority/corporation [10 marks]

### **QUESTION TWO**

(a) In a management forum you attended recently in your county, a participant remarked that "an organization is an open-adaptive system interacting with its own environment". In reference to this statement, discuss the main characteristics of open systems. [10 marks]

(b) Why is a centralization-decentralization important to organization [10 marks]

### **QUESTION THREE**

(a) Discuss the purpose of an organization structure [10 marks]

- (b) Explain any four types of organizational culture found in business organizations.

[10

marks]

**QUESTION FOUR**

- (a) Formalization refers to the degree to which jobs within the organization are standardized. Explain the techniques managers use to promote standardization of employee behaviour

[10

marks]

- (b) Discuss the techniques you can apply to deal with individual resistance to organizational change.

[10 marks]

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