



MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

THIRD YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF EDUCATION

BBA 300: ORGANIZATION THEORY

DATE: 2/12/2019

TIME: 2.00-4.00 PM

INSTRUCTIONS:

Answer Question ONE and any other TWO Questions.

QUESTION ONE (30 MARKS)

Study the following Case Study and answer the questions that follow:

As one of the many seminars held to discuss the emerging issues of informal groups in organizations, the keynote speaker concluded his speech by saying: ‘In the end, I would say that, “Informal grouping is key to ethical behaviour for modern organizations. “It applies to all aspects of business conduct and is relevant to the conduct of individuals and entire organizations. “Ethical concerns are consistent with profits of organizations. “Most people value ethical behavior and punish businessmen and organizations that are not ethical”. “In organizations, where groups feel there is no fair play, there is more absenteeism, avoidance of work and lack of respect. In organizations where groups feel there is fair play, there is enthusiasm, cooperation and trust.

“Most ethical issues exist because of conflicts in values and belief patterns about right and wrong between and within stakeholder groups. Stakeholders apply their values and standards to many diverse issues –working conditions, consumer rights, environmental conservation, product safety and proper information disclosure that may or may not directly affect an individual stockholder’s own interest.

Stakeholders provide both tangible and intangible resources that are more or less critical to a firm’s long-term success. Shareholders supply capital, suppliers offer materials resources or intangible knowledge, employees and managers grant expertise, customers generate revenue and provide loyalty and positive word of mouth promotion, local community provide infrastructure, and media transmit positive corporate images. Their ability to withdraw or to threaten to withdraw these resources gives them power, the power to demand and expect ethical business practices”.

Your task;

Suppose you were an observer at the seminar. During tea and lunch breaks you had an occasion to meet several people who were skeptical and felt that informal groups and ethics have no place in an organization.

- a) Enlighten the people on **five** merits of informal organizations. (10 marks)
- b) Using relevant examples, explain to a participant any five moral principles? (10 marks)
- c) Explain to the people five expectations that a society has from businesses. (10 marks)

QUESTION TWO (20 MARKS)

- a) All organizations exhibit some unique characteristics. Describe these characteristics. (10 marks)
- b) Conflicts are not always negative. Explain benefits that may accrue to an organization from inter organizational conflicts. (10 marks)

QUESTION THREE (20 MARKS)

- a) Change is inevitable to an organization. Highlight circumstances under which an organization may find it necessary to undertake structural change. (10 marks)
- b) In almost all organizations there are some relationships that are likely to exist, explain these relationships giving examples to illustrate your answers. (10 marks)

QUESTION FOUR (20 MARKS)

- a) Highlight the benefits that would accrue to a firm from informal organizations. (10 marks)
- b) It is of utmost importance for any organization to set goals. Explaining the functions of goals. (10 marks)

QUESTION FIVE (20 MARKS)

- a) Sub-systems perform the specific functions required for organisational survival. Describe these subsystems. (10 marks)
- b) Change is evident in an organisation. Explain how change can be introduced to minimize resistance. (10 marks)