



**MURANG'A UNIVERSITY**

**(A CONSTITUENT COLLEGE OF JOMO KENYATTA UNIVERSITY OF SCIENCE AND TECHNOLOGY)**

**FIRST YEAR SECOND SEMESTER EXAMINATION FOR BACHELOR OF COMMERCE  
HBC 2108 ORGANISATIONAL THEORY**

**SUPPLEMENTARY EXAM.**

**DATE: 5<sup>TH</sup> AUGUST 2015**

**TIME: 9.00-11.00AM**

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**Instructions:**

**Answer question ONE and any other TWO questions**

**QUESTION ONE: Read the case below and answer the questions based on it. (30 marks)**

**Westchester zone Organization.**

In this case study, the regional claims manager, Christine Brooks, is tasked with reorganizing the Westchester zone in order to consolidate four offices into one office by the end of the year. She anticipates challenges because of this change and has a plan to work with the managers to make the transition as smooth as possible. There is background provided on the insurance industry's history over the past years. This reorganization is the fallout of the stagnant economy in 2002. It was because of this issue that premiums paid by policyholders were insufficient to cover the cost of claims and operating expenses (Rosenberg, 2006). The company suffered losses and plans were set in place to begin reorganization. The four offices had each developed their own distinctive cultures, unique identity and managers were concerned about how their employees would adjust to the reorganization (Rosenberg, 2006). Christine used the common approach to conduct manager survey. She is now tasked with deciphering the results to determine how to make the reorganization effective and how to make the move. In the results, she was pleased that she did receive favorable responses on most of the questions; she also wanted to address the other diverse answers that varied in range. Some areas of concern were turn over, managers expressed concern that the family oriented environment had disappeared, and the communication of new processes had deteriorated (Rosenberg, 2006). This could be an issue during the

reorganization for their employee morale. It was important for Christine to remind her team of managers that this was not a choice to reorganize and consolidate offices, but a mandate. Some of the positives for Christine were her team's long term employees were familiar with change and would be receptive.

- a) Discuss briefly the key facts and critical issues presented in the case (10marks)
- b) Considering the results of Christine's survey of her managers regarding the reorganization, explain how power and politics could be used in change management. (10marks)
- c) Explain one organizational theory which could be used in the organization (10marks)

### **QUESTION TWO**

- a) Discuss five reasons for employee resistance to change within the organization (10 marks)
- b) There are several theories which explain the organization and its structure. Discuss the Weber's bureaucratic approach. (10 marks)

### **QUESTION THREE**

- a) Examine in detail the various types of leadership styles and how they can be applied in business (10 marks)

Discuss the components of system approach in an organization. (10marks)

### **QUESTION FOUR**

- a) Outline the steps in the process of goal setting in organizations. (10 marks)
- b) Integration and coordination in Organization is necessary for several reasons. Discuss. (10 marks)

### **QUESTION FIVE**

explain the term group dynamic (2marks)

Explain nine steps in decision making. (9marks)

Suggest various ways to reduce conflicts in an organization (9marks)