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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**

**KBM 2305 ORGANIZATIONAL THEORY**

**12<sup>th</sup> August, 2024**

**Time: 11.30 – 1.30pm**

**INSTRUCTIONS TO CANDIDATES**

**ANSWER QUESTION ONE (COMPULSORY) AND ANY OTHER TWO QUESTIONS**

**QUESTION ONE (30MARKS)**

Read the case study below and answer questions A to E

**CASE STUDY: TRANSFORMING BAGAMOYO MANUFACTURING COMPANY LTD**

Bagamoyo Manufacturing Company Ltd, a leading beverage manufacturer, has experienced rapid growth, expanding to over 750 employees across three countries by 2020. The company is known for its cutting-edge beverage products. However, the rapid expansion has led to significant organizational challenges, including conflicts, issues in group dynamics, resistance to change, and difficulties in maintaining organizational effectiveness and culture.

Founded in 2010, Bagamoyo Manufacturing Co. Ltd., gained prominence due to its innovative beverage products. In 2021, the company decided to launch a new product line focused on carbonated drinks, requiring major organizational changes, such as team restructuring, role redefinition, and new technologies. The announcement of the new product line created both excitement and conflict among employees. The R&D department felt overwhelmed with the pressure to innovate, while the marketing team was frustrated by the lack of communication and clear direction. This led to inter-departmental conflicts, poor group dynamics, and decreased productivity.

The project required cross-functional collaboration among R&D, marketing, and sales. However, poor group dynamics resulted in misunderstandings, mistrust, and isolated operations. The shift to carbonated drinks necessitated significant changes in work processes, technology, and employee skill sets, leading to resistance, particularly among long-term employees. With ongoing conflicts and poor group dynamics, the overall effectiveness of the organization was at risk. Productivity declined, project timelines were missed, and customer satisfaction began to suffer. The company's culture of innovation and collaboration was also threatened as employees felt disconnected from core values, resulting in decreased morale and engagement.

- a) Discuss the strategies the management of Bagamoyo Manufacturing Company Ltd. can use to prevent conflicts between R&D and marketing departments in the future. (6marks)

- b) As the HR Manager explain to the line managers of the R&D and Marketing departments the significance of teamwork in Bagamoyo Manufacturing Company Ltd. (6marks)
- c) The management of Bagamoyo Manufacturing Company Ltd. has contracted you as a change management expert to advise them on how to implement change in the organization. Describe the strategies you would advise the management of the company to use. (6marks)
- d) The management of Bagamoyo Manufacturing Company Ltd wants to set up the process of measuring the effectiveness of the company's performance. Advise the management on steps they should take to set up the process. (6marks)
- e) With the ongoing growth and changes within Bagamoyo Manufacturing Company Ltd, suggest to the management of the company ways in which they can promote and sustain effective organizational Cultures in the organization. (6marks)

### **QUESTION TWO (20MARKS)**

- a) Group performance is influenced by a combination of internal and external factors that impact how effectively and efficiently the group functions and achieves its objectives. Examine the internal factors that influence group performance in an organization. (8marks)
- b) The study of Organisational behaviour (OB) is of paramount importance for individuals and organizations alike. Discuss any six reasons for studying organisational behaviour. (6marks)
- c) Stress in an organization can have wide-ranging effects that impact not only the individual employees but also the overall functioning and success of the organization. Evaluate common stress effects experienced by employees at the workplace. (6marks)

### **QUESTION THREE (20MARKS)**

- a) Explain employees' behaviour at the workplace using the following theories
  - i. Maslow's Hierarchy of Needs Theory (4marks)
  - ii. J. Stacy Adams's Equity Theory (4marks)
- b) Organizational change is driven by various factors and reasons, as organizations need to adapt and respond to the dynamic and evolving business environment. Discuss reasons that lead organizations to change. (6Marks)
- c) Business Ethics focuses on ensuring fairness, honesty, transparency, and integrity in all business dealings. Discuss the guidelines for balancing business ethics and social responsibility. (6marks)

### **QUESTION FOUR (20MARKS)**

- a) Organizational power and politics can have both positive and negative effects on an organization and its members. Evaluate the demerits of Organisational power (6marks)
- b) Examine the psychological processes that can help explain and predict behaviours in the workplace. Provide examples (6marks)
- c) As organizations evolve and adapt to changing environments, new challenges and opportunities arise, leading to the emergence of novel theories and insights. Explain the emerging issues and trends in organizational theory and behaviour. (8marks)

**QUESTION FIVE (20MARKS)**

- a) Discuss the specific leadership qualities that are most effective in fostering a positive and productive work environment (8marks)
- b) Describe the potential consequences of functional group behaviours on organizational performance. (6marks)
- c) Outline the factors that contribute to the development and shaping of an organization's culture. (6marks)