



# MACHAKOS UNIVERSITY

University Examinations for 2019/2020 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BUSINESS ADMINISTRATION

FIRST YEAR SECOND SEMESTER EXAMINATION FOR  
DOCTOR OF PHILOSOPHY IN BUSINESS MANAGEMENT

**BBA 924: ORGANIZATION THEORY AND BEHAVIOUR**

DATE: 4/12/2019

TIME: 9.00-12.00 PM

---

## INSTRUCTIONS:

Answer question **one** (compulsory) and any other **two** questions.

### QUESTION ONE (30 MARKS)

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

Carla knew something was wrong when Jack got back to his desk. He had been with Aker & Aker Accounting (A&A) for seventeen years, starting there right after graduation and progressing through the ranks. Jack was a strong supporter of the company, and that was why Carla had been assigned to him. Carla had been with A&A for two years. She had graduated in the top 10 percent of her class and passed the CPA exam on the first try. She had chosen A&A over one of the “Big Five” firms because A&A was the biggest and best firm in Smallville, Ohio, where her husband, Frank, managed a locally owned machine tools company. She and Frank had just purchased a new home when things started to turn strange with Jack, her boss.

“What’s the matter, Jack?” Carla asked. “Well, you’ll hear about it sooner or later. I’ve been denied a partner’s position. Can you imagine that? I have been working sixty- and seventy-hour weeks for the last ten years, and all that management can say to me is ‘not at this time,’ ” complained Jack. Carla asked, “So what else did they say?” Jack turned red and blurted out, “They said maybe in a few more years. I’ve done all that they’ve asked me to do. I’ve sacrificed a lot, and now they say a few more years. It’s not fair.” “What are you going to do?” Carla asked. “I don’t know,” Jack said. “I just don’t know.” Six months later, Carla noticed that Jack was behaving oddly. He came in late and left early.

One Sunday Carla went into the office for some files and found Jack copying some of the software that A&A used in auditing and consulting. A couple of weeks later, at a dinner party, Carla overheard a conversation about Jack doing consulting work for some small firms. Monday morning, she asked him if what she had heard was true. Jack responded, “Yes, Carla, it’s true. I have a few clients that I

do work for on occasion.” “Don’t you think there’s a conflict of interest between you and A&A?” asked Carla. “No,” said Jack. “You see, these clients are not technically within the market area of A&A. Besides, I was counting on that promotion to help pay some extra bills. My oldest son decided to go to a private university, which is an extra \$25,000 each year. Plus our medical plan at A&A doesn’t cover some of my medical problems. And you don’t want to know the cost. The only way I can afford to pay for these things is to do some extra work on the side.” “But what if A&A finds out?” Carla asked. “Won’t they terminate you?” “I don’t want to think about that. Besides, if they don’t find out for another six months, I may be able to start my own company.”

“How?” asked Carla. “Don’t be naive, Carla. You came in that Sunday You know.” Carla realized that Jack had been using A&A software for his own gain. “That’s stealing!” he said. “Stealing?” Jack’s voice grew calm. “Like when you use the office phones for personal long distance calls? Like when you decided to volunteer to help out your church and copied all those things for them on the company machine? If I’m stealing, you’re a thief as well. But let’s not get into this discussion. I’m not hurting A&A and, who knows, maybe within the next year I’ll become a partner and can quit my night job.” Carla backed off from the discussion and said nothing more. She couldn’t afford to antagonize her boss and risk bad performance ratings. She and Frank had bills, too. She also knew that she wouldn’t be able to get another job at the same pay if she quit. Moving to another town was not an option because of Frank’s business. She had no physical evidence to take to the partners, which meant that it would be her word against Jack’s, and he had seventeen years of experience with the company.

- a) Identify the bad behaviour issues in this case. (8 marks)
- b) Assume you are Carla. Discuss your options and what the consequences of each option might be. (7 marks)
- c) Assume you are Jack. Discuss your options. (8 marks)
- d) Discuss any additional information you feel you might need before making your decision. (7 marks)

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

- a) Power has been defined as the ability to influence others behaviour. There are many potential sources of power which enables members of the organization to further their own interests and which provide a means of resolving conflicts, explain these sources and explain its implication in the organization of your choice, (10 marks)
- b) Organizations are political arenas in which power and politics are central. Discuss (10 marks)

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

Your weekend staff is faced with a dilemma. The computers are down and a critical deadline is four hours away. The company's contract for repair has a minimum charge of Ksh.20,000 to get the system back online for a weekend emergency. Just last week you were humiliated by the deputy directors' criticism for going over budget. He lectured you about the fact that margins are thin and money is tight. His deputy director is now off town and you feel reluctant to approve this new expenditure on your own. An employee who is trying to be helpful suggests going around the service contractor by calling in his neighbour who does the same work for another company and knows your computer system will charge a lot less and is available now.

#### **Required**

- a) Explain how you would arrive at a well thought decision to solve the problem that your company is facing. (10 marks)
- b) Describe the principle leadership styles usually adopted in management of business. (10 marks)

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

You are becoming increasingly concerned that your organization's culture may be having a negative effect on output. Evaluate the importance of each of the following in the development of an organisational culture

- a) Values (5 marks)
- b) Norms (5 marks)
- c) Artefacts (5 marks)
- d) Management style (5 marks)

### **QUESTION FIVE (20 MARKS)**

- a) Sustainability refers to the ability of a company to survive and succeed in a dynamic competitive environment. Evaluate the implications that sustainability challenges have on an organization's practices. (10 marks)
- b) Discuss why conflicts occur in organizations and state their sources. (10 marks)