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**KIRIRI WOMENS' UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**UNIVERSITY EXAMINATION, 2024/2025 ACADEMIC YEAR**  
**FIRST YEAR, FIRST SEMESTER EXAMINATION**  
**MASTER IN BUSINESS ADMINISTRATION**

Date: 18<sup>th</sup> April, 2024  
Time: 2.00pm –5.00pm

**KGM 3102 - MANAGEMENT PRACTICES**

**INSTRUCTIONS TO CANDIDATES**

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

**QUESTION ONE (40 MARKS)**

**CASE STUDY**

**Read the case study below and answer the questions that follow**

**KULOS COMPANY LIMITED**

Kulos Company Limited was registered on 1<sup>st</sup> June 2015 by the registrar of companies to manufacture and distribute pharmaceutical products in Mt Kenya Region. The company started her trading operations on 5<sup>th</sup> December 2015. The Company Board of directors' recruited Mr. Gray as CEO on 1<sup>st</sup> Nov 2015. Mr. Gray had just graduated from the University of Kidan with a Masters of Arts in Economics. Five other employees were employed in the same month. During the first three years since its inception the company was performing fairly well and had opened four retail outlets by the end of year 2018. However the company CEO did not bother to develop the company's fundamental philosophical statements such as vision, mission, core values and the company objectives even after three years of company's existence. The company's employee population had also grown from five at inception to 80 by the end of 2018. At employment the employees were promised that their compensation package would grow with the company's growth based on profit levels. The company's CEO Mr. Gray failed to keep his word in regard to employee's compensation such that despite the fair growth rate in the company's performance the employee's salary remained static nor were they receiving any fringe benefits despite their high level commitment.

The clause in employees appointment letter that their salaries will be reviewed from time to time based on company's level of performance was not effected. Mr. Gray used to meet the employees only once at the beginning of the company's financial year when he was giving them operational directives. The CEO did not involve the employees in any decision making. Any suggestions for improvement by employees were ignored by the CEO. When Mr. Gray was giving instructions, he used to shout at them at any given time leading to very low morale among employees. Mr. Gray was never available to attend to employees grievances. He was very busy building his own business empires. During the first quarter of 2019 there were mild employees' unrests which did not capture attention of Mr. Gray. In fact, the CEO used to threaten the employees any time they raised any grievances.

By the end of June 2019 there were frequent employee turnover. Mr. Gray attempted to arrest the situation by threatening the employees with sack memos but this was of no avail. By the end of September 2019 about 50% of the employees in the company quitted their jobs. The company advertised for the vacant posts on 5<sup>th</sup> November 2019 but by end of November 2019 there was not a single application that had been received. Mr. Gray's autocratic leadership style frustrated the employees so much that they(employees) were spreading news in the immediate environment about the likely death of Kulos Company Limited due to mismanagement. In addition, Mr Gray had a history of employing close allies whenever there was a vacant post in the past. Further, the CEO was disinterested in the social activities in the companies immediate environment. This led to closure of two retail outlets making the company's profit levels to fall drastically by 40%. This scenario caused panic among the Board of directors as the future of the company is uncertain.

Required:

- a) Explain the reasons that led to high labour turnover in the mid of 2019. Illustrate your answer with examples drawn from the context of the case study.  
**(6 marks)**
- b) Describe the purpose the vision statement would have served Kulo's company if it was developed by the CEO  
**(6 marks)**
- c) Explain the measures that the top management of Kulos company limited should put in place so as to retain the workers in the organization.  
**(6 marks)**
- d) Enumerate the advice you would offer to the Board of directors of Kulos Company Ltd in order to reduce panic about the future of the company.  
**(6 marks)**
- e) Examine the changes which should be introduced in Kulos company limited to make it gain her lost glory.  
**(6 marks)**
- f) Explain why potential applicants failed to apply for the advertised jobs in Kulos company.  
**(5 marks)**
- g) Describe the demerits of autocratic leadership style in an organization in reference to the case study  
**(5 marks)**

**QUESTION TWO (20 MARKS)**

- a) "Henry Fayol is often regarded as the father of modern management theory."  
Discuss the contributions of Henry Fayol in regard to effective achievement of organizational goals.  
**(6 Marks)**
- b) Provide arguments for and against group decision making.  
**(6 marks)**
- c) Examine the justification as to why an organization should be socially responsible to its immediate environment  
**(8 marks)**

**QUESTION THREE (20 MARKS)**

- a) Power and authority are sometimes used interchangeably or synonymously. Clearly bring out the major differences between the two. **(6 marks)**
- b) Explain the process and importance of planning using an organization of your choice **(6 marks)**
- c) Standards play a critical role in regard to managers control function since they provide a basis against which actual performance can be compared. Examine any eight of such standards. **(8 marks)**

**QUESTION FOUR (20 MARKS)**

- a) Discuss the reasons which make employees to resist change in an organization. **(7 marks)**
- b) Citing specific examples asses, the major sources of conflicts in an organization. **(8 marks)**
- c) Examine the measures organizations can put in to make communication more effective **(5 marks)**

**QUESTION FIVE (20 MARKS)**

- a) Explain the stages of team formation and outline the critical success factors that should be considered when creating an effective and functional team in an organization. **(8 marks)**
- b) Analyze the importance of control systems in an organization. **(7 marks)**
- c) Examine the measures a manager should put in place in order to enrich a job. **(5 marks)**