



KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2018/2019

**SECOND SEMESTER EXAMINATION FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION**

BBA 820: MANAGERIAL FUNCTIONS

DATE: FRIDAY 29TH MARCH 2019

TIME: 2.00 P.M. – 5.00 P.M.

INSTRUCTIONS

Answer Question One and any other Three questions

Total marks : Sixty (60)

Question One (Compulsory)

Nakuru Mattresses Holdings is a Kenyan supermarket operating in Kenya. Until February 2017, Nakuru Mattresses Holdings was regarded as the largest Kenyan retailer with 62 branches across the region, (45 in Kenya, 9 in Uganda, 5 in Tanzania and 3 in Rwanda) and a gross turnover of Kshs 52.2 bn. However, what was fueling Nakuru Mattresses Holdings' rapid expansion was funding through debt. This included short-term borrowings, bank loans and letters of credit to its numerous suppliers. Due to a number of reasons, Nakuru Mattresses Holdings started experiencing serious cash-flow difficulties in 2016. The retailer was therefore unable to meet its financial obligations to landlords, its suppliers and employees. It was for these reasons the MET Consulting International was appointed as Nakuru Mattresses Holdings' administrator in January 2018 through an order of the court pursuant to an application filed by creditors.

The Executive director of MET Consulting International is thinking of advising Nakuru Mattresses Holdings to initially sell off some non-strategic assets and secure additional financing to pay off creditors, stabilize the business and later enable the company to expand operations, as it adjusts to competition from other upcoming new entrants into the market. He is also planning to have introduced newer technology to drive sustainability and future profits. He believes that the company can use sustainability to drive innovation and facilitate

expansion into new markets and sees sustainability as a key differentiator from its competitors to achieve its goal. In order to do so, the company must also consider the importance of employees' job satisfaction and organizational commitment in order to better perform its core mandate and increase the number of customers it reaches with its products.

One important element of the company's turnaround strategy is a training course in corporate culture and values for the first-line supervisors. However, the Staff Training and Development Manager is of the opinion that this programme may not succeed. He believes that managers are under pressure while the employees wonder more about job losses in the future.

Required:

- a) Discuss at least five (5) key stakeholders for Nakuru Mattresses Holdings, the main interest for each of the identified stakeholder, including power and influence that each have in the company (10 marks)
- b) Discuss five (5) main issues you feel will need attention if employees' job satisfaction, Job involvement and organizational commitment is to be improved in Nakuru Mattresses Holdings. (10 marks)
- c) Discuss five (5) advantages of delegation, including how this can be used to alleviate work pressure among management staff in Nakuru Mattresses Holdings (10 marks)

PART TWO: ANSWER ANY THREE (3) QUESTIONS

Question Two

Discuss five (5) major challenges faced by managers while undertaking each of the five (5) basic managerial functions in a multicultural organization and how to effectively overcome each of the identified challenges. (10 marks)

Question Three

Discuss Henry Mintzberg's ten (10) managerial roles that a manager fills and in each case provide relevant illustrations. (10 marks)

Question Four

Sound organization structure is imperative for efficient and effective management. Discuss this statement and critically examine the factors that would inform your choice of structural design (10 marks)

Question Five

Increased concern about the environment has created fresh interests in the issue of ethics and social responsibility. Discuss what you consider to be the five (5) most important ethical and social responsibility issues that the management of an international company is likely to deal with. (10 marks)