



MUEO

# MOI UNIVERSITY

OFFICE OF THE CHIEF ACADEMIC OFFICER

## UNIVERSITY EXAMINATIONS

### 2010/2011 ACADEMIC YEAR

#### FIRST SEMESTER EXAMINATION

## FOR MASTER OF BUSINESS ADMINISTRATION

**COURSE CODE:** MBA 870

**COURSE TITLE:** THEORY AND PRACTICE OF MANAGEMENT

**DATE:** 17<sup>TH</sup> FEBRUARY, 2011 **TIME:** 9.00 A.M. – 12.00 NOON.

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### INSTRUCTION TO CANDIDATES

- SEE INSIDE.

**Instructions to candidates:**

Answer **Question One** and any other *three* questions

**Question One (Compulsory) 40 marks**

Read the following case carefully and answer the question that follow.

**Mr. Eden's Profits from watching His Worker's Every Move**

Control is one of Ron Eden's favorite words. "This is a controlled environment" he says of the blank brick building that houses his company, Electronic Banking System Inc. (EBS). Inside, long lines of women sit at Spartan desks, slitting envelopes, sorting contents and filling out "control cards" that record how many letters they have opened and how long it has taken them. Workers here, in "the cage", must process three envelopes a minute. Nearby, other women tap keyboards, keeping pace with a quota that demands 85,000 strokes an hour. The room is silent. Talking is for-bidden. The windows are covered. Coffee mugs, religious pictures and other adornments are barred from workers desks.

In his office upstairs, Mr. Eden sits before a TV monitor that flashes images from eight cameras posted through the plant. "There's a little bit of Sneaky Pete to it" he says, using a remote control to zoom in on a document atop a worker's desk. "I can basically read that and figure out how someone's day is going". The time-motion philosophies of Fredrick Taylor, for instance, have found a 21<sup>st</sup> Century correlate in the phone, computer and camera, which can be used to monitor workers more closely than a foreman with a stopwatch ever could. Also, the nature of the work often justifies a vigilant eye. In EBS workers handle thousands of dollars in checks and cash, and Mr. Eden says cameras help deter would-be thieves. Tight security also reassures visiting clients. "If you're disorderly, they'll think we're out of control and that things could get lost" says Mr. Eden, who worked as a financial controller for the National Rifle Association before founding EBS in 1993.

But tight observation also helps EBS monitor productivity and weed out workers who don't keep up. "There are multiple uses." Mr. Eden says of surveillance. His desk is covered with computer printouts recording the precise tool of key-strokes tapped by each data-entry worker. He also keeps a day -to-day tally of errors. The work floor itself resembles an enormous

classroom in the throes of exam period. Desks point toward the front, where a manager keeps watch from a raised platform that workers call “the pedestal” or “the birdhouse” Other supervisor is positioned toward the back of the room. “If you want to watch someone,” Mr. Eden explains “it’s easier from behind because they don’t know you’re watching” There also is a black globe hanging from the ceiling, in which cameras are positioned. Mr. Eden sees nothing Orwellian about this omniscience. “It’s not a Big Brother attitude,” he says. “It’s more of a calming attitude.

This total focus boosts productivity but it makes workers feel lonely and trapped. Some try to circumvent the silence rule, like kids in a school library. During lunch, workers crowd in the parking lot outside, chatting nonstop. “Some of us don’t eat much because the more you chew the less you can talk”, Ms. Kessing says. There aren’t other breaks and workers aren’t allowed to sip coffee or eat at their desks during the long stretches before and after lunch. Hard candy is the only permitted desk snack.

New technology, and the breaking down of labour into discreet, repetitive tasks, also has effectively stripped jobs such as those at EBS of whatever variety and skills clerical work once possessed. Workers in the cage (an antiquated banking term for money-handling area) only open envelopes and sort contents; those in the audit department compute figures; and data -entry clerks punch in the information that the others have collected. If they make a mistake, the computer buzzes and a message such as “check digit error” flash on the screen. “We don’t ask these people to think-the machines think for them”, Mr. Eden says. “They don’t have to make any decisions.” This makes the work simpler but also deepens its monotony. In the cage, Carol says she looks forward to opening envelopes that contain anything out of the ordinary, such as letters reporting that the donor is deceased. Or she plays mental games. “I think to myself, A goes in this pile, B goes here and C goes there-sort of like Bingo.” She says she sometimes feels “like a machine,” particularly when she fills out the “control card” on which she lists “time in” and “time out” for each tray of envelopes. In a slot marked “cage operator” Ms. Carol writes her code number, 3173. “That’s me,” she says.

### Questions

- a) Discuss how Mr Eden is applying **Scientific Management practices** at EBS (6 marks)
- b) Do you think Mr Eden is violating some of the '**Universal Principles**' of Management? Explain (10 marks)
- c) Explain the lessons that Mr Eden can learn from the infamous **Hawthorne's Studies** hence improve work situation at EBS (6 marks)
- d) If you were employed to replace Mr Eden as the Chief Executive of EBS, discuss how you could apply the following Management theory's to improve the overall Organizational performance at EBS
  - i. **Systems Theory** (6 marks)
  - ii. **Theory Z** (6 marks)
  - iii. **Theory X and Y** (6 marks)

### Question Two (20 marks)

According to Henri Mintzberg Organizations today are being managed through **Ad-hoc Committees** rather than **Bureaucrats** as advocated for by Max Weber

- a. Discuss this statement clearly outlining the main tenets of each approach to Management (15 marks)
- b. Citing relevant examples, explain at least five limitations of **Ad-hocracy** as a Management method (5 marks)

### Question Three (20 marks)

- a. Discuss the habits of an **Effective Executive** as proposed by Steven Covey and their implications to **Managerial skills** (14 marks)
- b. Drawing from your own experience do you think these 'Western habits' can lead to a High Performing Organisation in Kenya? Why or why not? Support your answer with evidence. (6 marks)

**Question Four (20 marks)**

Discuss how each of the following issues is influencing Management Practice today in Africa

- i. Globalization (5 marks)
- ii. Demand for Managerial Ethics (5 marks)
- iii. Affirmative action (5 marks)
- iv. Corporate Social Responsibility (5 marks)

**Question Five (20 marks)**

**The Balanced Scorecard (BSC)** as opposed to **Management by Objectives (MBO)** is a performance management tool that is widely used in today's successful organizations.

- a) What is your understanding of a balanced scorecard in terms of its perspectives as described by its originators Profs. Kaplan & Norton. (12 marks)
- b) Explain the differences between the **MBO** and the **BSC** as performance management tools (8 marks)

**Question Six (20 marks)**

- a. John Adair a management scholar argues the **Managerial Planning** and **effective Communication** are the pillars of a Manager's Job. Do you support this view? Discuss (10 marks)
- b. Explain the connection between **Managerial Functions (By Fayol)** and **Managerial Roles (By Mintzberg)** (10 marks)