



PAN AFRICA CHRISTIAN UNIVERSITY

DIPLOMA IN LEADERSHIP MANAGEMENT

**END OF SEMESTER EXAMINATION MAY – AUGUST
2020**

DEPARTMENT: LEADERSHIP

COURSE CODE: DLM 111

CAMPUS: ROYSAMBU

COURSE TITLE: PROBLEM SOLVING AND DECISION MAKING

EXAM DATE: AUGUST 2020

DURATION: 2 HOURS

INSTRUCTIONS

- This exam script has **THREE** questions.
- Answer **ANY TWO** questions (40 marks)

QUESTION ONE

- a) Explain **three** characteristics that creative thinkers have in solving 21st century organizational problems (6 marks)
- b) Describe **any two** paradigm shifts that organizations have faced and continue to face in the past decade. Use any organization (s) as a practical example to explain the above (6 marks)
- c) Explain the **four** types of decisions that a leader is faced with making in any organizational setting (8 marks)

QUESTION TWO

Kenya Airways has experienced several challenges during this Covid – 19 period. The senior management recently decided to lay off a significant number of staff to cope with the impact of the pandemic.

- a) In your view, explain **one** of the 6 steps to decision making that the leadership may have omitted (3 marks)
- b) Name and explain **four** biases that the CEO may have faced in the evaluation of alternatives (8 marks)
- c) In such a crisis, explain any **two decision styles** that can be used for maximum output (6 marks)
- d) Was the decision to lay off staff **productive** or **reproductive** thinking? Explain (3 marks)

QUESTION THREE

A Sales Manager of a clothing retail store in Nairobi (Mr. Price) recommended that the company opens a store in the Western part of the country (Kisumu County). She proposed that this move would solve the problem of declining sales. The CEO needs to make the decision on whether to establish the store or not.

- a) Use the force field analysis technique to **identify and explain 5 driving and restraining** forces affecting the proposed change of opening a store in Kisumu (15 marks)
- b) Name and explain **two advantages** and **disadvantages** of using the force field analysis in this case (5 marks)

END