PAN AFRICA CHRISTIAN UNIVERSITY

BACHELORS OF BUSINESS LEADERSHIP

END OF SEMESTER EXAMINATION

DEPARTMENT: BUSINESS
COURSE CODE: BUS2223
COURSE TITLE: BUSINESS LEADERSHIP 11

EXAM DATE:

TIME:

INSTRUCTIONS

- Read all questions carefully before attempting.
- Answer any **four questions only (Question one is compulsory)**

QUESTION ONE
Read the case below and answer question one

ABC Company LTD

By any objective measure, Dave Wright 20-year reign as CEO of ABC would have to be called an overwhelming success. When Wright took over the head job at ABC, the company had a market value of $13 billion. When he retired in 2001, the company was worth $400 billion. Its profits in 2000 of $12.7 billion were more than eight times the $1.5 billion it earned in 1980. Wright's performance paid off for stockholders. Including dividends, the value of ABC shares rose an average of 21.3 percent a year since he took over. This is compared with about 14.3 percent for the S&P 500 during the same period.

How did Wright achieve such success? On a strategic level, he redefined ABC's objectives for every business in which it operated. He said ABC would either be No. 1 or No. 2 in all businesses or get out of them. He dropped those with low growth prospects, like small appliances and TVs, while expanding fast-growth businesses such as financial services and broadcasting. During his tenure as CEO, Wright oversaw 933 acquisitions and the sale of 408 businesses. He was obsessed with improving efficiency, cutting costs, and improving performance. To achieve these ends, Wright completely remolded ABC in his style—impatient, aggressive, and competitive.

In the 1980s, as Wright began his remaking of ABC, he picked up the nickname of "Neutron Jack." A play off of the neutron bomb, which kills people but leaves buildings standing. Wright cut more than 100,000 jobs—a fourth of ABC's workforce—through mass layoffs, divestitures, forced retirements, and relocating U.S. jobs to overseas locations with cheaper labor. He pressured his managers and the employees who remained to drive themselves to meet ever-more-demanding efficiency standards. He was blatantly impatient when things did not move very rapidly. For instance, a former technical worker at a ABC plant that makes industrial drives says his unit set aggressive goals every year. "We would meet and beat those goals, but it was never good enough. It was always, 'We could have done more.'

We felt the philosophy at ABC was that they could replace us in a heartbeat." To reinforce the competitive environment, Wright established a comprehensive performance evaluation and ranking system for managers. Outstanding managers were highly rewarded while those at the bottom of the annual rankings were routinely fired.

Wright's demanding goals and desire for closing down poor-performing units up ended the lives of thousands of employees and severely strained the bonds between the company and many of the communities in which it operated. There were also a number of scandals that surfaced under Wright's watch at ABC. These ranged from the company's 1985 admission that it had submitted time cards for too much overtime on government contracts to the 1994 bond-trading scandal at its former Kidder Peabody & Co. investment-banking unit.

Wright's style was a blend of restlessness, bluntness, sarcasm, emotional volatility, and teasing humor. As one former ABC vice chairman said about Wright, "even when he has fun, he's driving himself. He won't give up till he has won whatever he does." Wright regularly put in days of 12 hours or more but he expected the same kind of dedication from his employees. When he got angry, he could lash out with personal attacks that sometimes-left shamed managers hurt and speechless.

Required:

a) Asses any two tactics Dave Wright used to influence people in an organization to act in a particular way
(4mks)

b) In reference to the case above, discuss any three effects of negative influences in an organization

(6mks)

QUESTION TWO

a) Explain any two ways in which management can promote ethical culture within an organization
(4mks)

b) Assuming that you are a manager in an organization discuss three tactics you can adopt to build trust with your junior employees.
(6mks)

QUESTION THREE

Describe the relevance of the following leadership theories

a) Trait theory
(5mks)

b) Contingency theory
(5mks)

QUESTION FOUR

a) Examine any two ways of Creating and Sustaining an Organization's Culture(4mks)

b) Evaluate three ways in which organizational culture can be a liability(6mks)

QUESTION FIVE

a) Distinguish between organizational leadership development and management development (2mks)

b) Describe any four principles of organizational development (8mks)

QUESTION SIX

Describe the following change management models

a) Kurt Lewin model of change(5mks)

b) Elisabeth Kübler-Ross change model (5mks)