



MAASAI MARA UNIVERSITY

**REGULAR UNIVERSITY EXAMINATIONS
2017/2018 ACADEMIC YEAR
FIRST YEAR SECOND SEMESTER**

**SCHOOL OF BUSINESS AND ECONOMICS
BACHELOR OF SCIENCE IN HUMAN
RESOURCE MANAGEMENT**

COURSE CODE: BHR 1203

COURSE TITLE: PRACTICE OF MANAGEMENT

DATE: 27TH APRIL 2018

TIME: 8.30-10.30AM

INSTRUCTIONS TO CANDIDATES

Answer Question **ONE** and any other **THREE** questions

*This paper consists of **FIVE** printed pages. Please turn over*

QUESTION ONE

Community. Connection. Caring. Committed. Coffee. Five Cs that describe the essence of Starbuck' Corporation – what it stands for and what it wants to be as a business.

“We aren't in coffee business, serving people. We are in people business, serving coffee.” That is the philosophy of Howard Schultz , chairman and global strategist for Starbucks.

The first Starbucks that opened in Seattle's famous Pike Place Market in 1971, was founded by Gordon Bowker, Jerry Baldwin, and Zev Siegl. The company was named for the coffee-loving first mate in the book *Moby Dick*, which also influenced the design of Starbucks' distinctive two-tailed siren logo. Shultz, a successful New York business person, first walked into Starbucks in 1981 as a salesman for a Swedish kitchenware manufacturer. He was hooked immediately. He knew that he wanted to work with this company., but it took more than a year before he could persuade the owners to hire him. After all he was from New York and he hadn't grown up with the values of the company. The owners thought Shultz's style of high energy would clash with the existing culture. But Shultz was quite persuasive and was able to allay the owner's fears . They asked him to join the company as director of retail operations and marketing, which he enthusiastically did. Shultz's passion for coffee business was obvious. Although some of the company's employees resented the fact that he was an “outsider”, Shultz had found his niche and he had lots of ideas for the company. As he says, “ I wanted to make a positive impact.”

About a year after joining the company while on a business trip to Milan, Shultz waked into an Espresso bar and right away knew that this concept could be successful in the United States. He said, “there was nothing like this in America. It was an extension of the people's front porch. It was an emotional experience. I believed intuitively we could do it. I felt it in my bones.” Shultz recognized that although Starbucks treated coffee as a produce, something to be bagged and sent home with the groceries, the Italian coffee bars were more like an experience.....a warm community experience. That's what Shultz wanted to create in the United States. However, Starbucks owners weren't really interested in making Starbuck big and didn't really want to give the idea a try. So Shltz left the company in 1985 to start his own small chains of espresso bars in Seattle and Vancouver called Il Giornale. Two years later when Starbucks owners wanted to sell, Shultz raised \$3.8 million from local

investors to buy them out. That small investment has made him a very wealthy person indeed.

Starbucks' main product is coffee.....more than 30 blends and single origin coffees. In addition to fresh brewed coffee there is a sampling of other products the company also offers.

- Handcrafted beverages: hot and iced espresso beverages, coffee and non-coffee blended beverages, and Tazo's teas.
- Merchandise: home espresso machines, coffee brewers and grinders, premium chocolates, coffee mugs and coffee accessories, compact discs and other assorted items.
- Fresh food: baked pastries, sandwiches and salads
- Starbucks cards: a reloadable stored value card
- Brand portfolio: Starbucks entertainment, Ethos water, Seattles' best coffee and Tazo's tea

At the end of 2005, the company had over 115,000 full and part time partners (employees) around the world. Howard Shultz is the chairman of Starbucks. Jim Donald is the President and the chief executive officer. Some of the other "interesting" top level executive positions include senior vice-president of total pay, senior vice-president of coffee and global procurement, senior vice-president of culture and leadership development, and senior vice-president of corporate social responsibility.

So how does Starbucks epitomize the five Cs – community, connection, caring, committed and coffee?

REQUIRED

- Choose three of the current trends and issues facing managers and explain how Starbucks might be impacted. **(15 Marks)**
- Give examples of how Shultz might perform the interpersonal roles, informational roles and the decisional roles. **(10 mark)**

QUESTION TWO

Excellence is an imperative for a manager today. To achieve excellence one must evaluate key attributes. Outline the process of evaluating these key attributes. **(15 marks)**

QUESTION THREE

For once, governments and public health officers appear more prepared than businesses do. They have spent billions preparing for the potential influenza pandemic by buying medicines, running disaster drills, and developing strategies for tighter border controls. On the other hand, a survey of global companies by a London-based newsletter found that 72% have not even begun to get ready for the potential bird flu pandemic. Businesses in the United States seem to be particularly unprepared. In a survey by Deloitte and Touche of 100 US executives, two thirds said their companies had not yet prepared adequately for avian flu, and most had no-one specifically in charge of such a plan. What these businesses might not realize is how they potentially will be affected. For instance, how will they continue to do their business if their workforce is ill or quarantined; if transportation, communication, utility services, or other necessary public infrastructure functions are not available, or only available in limited areas; or if financial services are curtailed? How will they earn revenues if the general public is sick or not able to venture out? It is a scenario with monumental implications for both the short term and the long-term.

One company that has planned for any potential avian flu outbreak is Deutsche Bank. The steps it has taken include making sure employees in infected zones do not carry the disease to coworkers, moving others out of harm's way, communicating medical bulletins to far-flung offices and preparing for the inevitable economic shocks as mass illness slows trade and undermines both public services and private commerce. Kenny Seow, Deutsche Bank's business continuity manager in Singapore, says, "the moment that there is human to human infection, we would execute a set of measures."

Businesses in Southeast Asia seem to be better prepared for a possible flu disaster. For one thing, many of these companies had to deal with the SARS (sudden acute respiratory syndrome) outbreak in 2003 – a frightening situation that brought commerce in Hong Kong, Beijing and Singapore to a near standstill. A survey of 80 corporate executives at a seminar held by the American Chamber of Commerce in Hong Kong found that nearly every company had someone in charge of avian flu policy and 60% had clearly stated plans that could be put in place immediately. One of the most prepared companies is global bank HSBC which has made preparations for employees to work from home, and is also preparing to divide work among multiple sites. At Turner International Asia Pacific, a Time Warner unit in Hong Kong, they

are working on a mechanized cart that could automatically load tape after tape into a satellite transmission system to keep stations like cartoon network on air – a boon if children were homebound for months. And even FedEx says it has developed contingency plans down to every district or market in Asia Pacific.

What now? What about those businesses that have not begun to prepare for a possible outbreak? As the Deloitte report on avian flu concluded, “in a world where the global supply chain and real-time inventories determine almost everything we do, down to the food available for purchase in our grocery stores, the importance of advanced planning cannot be overstated.

REQUIRED

- i. What role do you think goals can play in a company’s planning for any potential bird flu outbreak? **(8 marks)**
- ii. Develop a plan of how a company that is in an affected area can deal with the outbreak. **(7 marks)**

QUESTION FOUR

“Too many managers have forgotten that work should be inspiring and fun; and are too out of touch with what makes people productive. “ How would you respond to this assertion? **(15 Marks)**

QUESTION FIVE

State where you want to be in your career in Human Resource Management, in the next nine years, and, explain clearly how you plan to get there. **(15 Marks)**

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