



TECHNICAL UNIVERSITY OF MOMBASA
Faculty of Business & Social Studies

DEPARTMENT OF BUSINESS STUDIES

UNIVERSITY EXAMINATIONS FOR
MASTER OF BUSINESS ADMINISTRATION

BEN 5201: MANAGEMENT INNOVATION

END OF SEMESTER EXAMINATIONS

SERIES: APRIL 2015

TIME: 3 HOURS

INSTRUCTIONS:

- Answer question **ONE (Compulsory)** and any other **THREE** questions
- Do not write on the question paper.

This paper consists of Two printed pages

QUESTION 1 (Compulsory)

Kenya Airways is running out of options to extricate itself from a financial crisis that has seen it struggle to settle financial obligations to employees and creditors.

The airline has turned to a short-term loan facility to pay employees in the face of huge equipment debts and a deteriorating business environment that saw it issue a profit warning for the year ended March 2015.

KQ was in the news last week for delaying the remitting of loan deductions from some of its employees to various banks.

The airline's short term loans stand at us \$456 million while the outstanding debts to suppliers are at us\$178 million. The airline's books show that it has been borrowing significantly to cover the cost of a fleet renewal started in 2013. Six B787-8 Dreamliners have so far been delivered as well as four B777-

300s. The carrier had hoped the fleet renewed would enhance the customer experience and save the airline costs because of fuel efficiency of the wide-bodied aircraft.

A practical challenge has been however arisen with the bigger aircraft. With depressed passenger numbers it is cheaper to ground the planes rather than fly them half empty.

Required:

As a consultant, recommend management innovations that will turn round the performance of the airline in the short, medium and long term. **(25 marks)**

QUESTION 2

Zaltman et al (1973) and the Minesota Innovation Research Program have come up with what they consider to be Models of the Innovation process. Give a critique of each Model. **(25 marks)**

QUESTION 3

Discuss how the following forces can influence an organization's innovation agenda:

- a) Stakeholders' expectations. **(12 marks)**
- b) Management Grandeur Vision. **(5 marks)**
- c) Domain choices. **(8 marks)**

QUESTION 4

As a newly appointed CEO of an organization, you have studied its innovation initiatives and discovered that the organization lacks Innovation Agents within the middle-management echelons.

Required:

Develop a model of managerial creative excellence for use by the Human Resource Department in hiring and training managers and capacity building them to become Innovation Agents in the organization. **(20 marks)**

QUESTION 5

In 2003, the Government of the Republic of Kenya made a strong statement on innovation by incorporating the subject in the performance contracting framework in all Government and state corporations. Despite this bold move, no major technical and non-technical innovations have been made ever since in the country.

Required:

What do you consider to be the greatest hinderances confronting innovation in the public sector in Kenya? **(25 marks)**