



**TECHNICAL UNIVERSITY OF MOMBASA**

---

**SCHOOL OF BUSINESS**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**UNIVERSITY EXAMINATION FOR:**

**MASTERS**

**BMG 5102: MANAGEMENT THEORY AND PRACTICE**

**ORDINARY EXAMINATION**

**SERIES: AUGUST 2019**

**TIME: 3 HOURS**

**DATE: 12<sup>TH</sup> JULY 2019**

**Instructions to Candidates**

You should have the following for this examination

-Answer Booklet, examination pass and student ID

This paper consists of **FIVE** questions. Attempt **ONE (Compulsory)** and any other **THREE** questions.

**Do not write on the question paper.**

---

**Question One (compulsory – 25 Marks)**

**Read the following case study and answer the questions that follow:**

**High expectations for the Disney- Pixar merger**

On January 24, 2006, Pixar animations studios and the Walt Disney Company entered into a merger agreement to make Pixar a wholly owned subsidiary of Disney. The deal was consummated on May 5, 2006 for purchase price of \$7.4 billion. Previously, the two had a business arrangement wherein Disney marketed and distributed Pixar's animated feature films, including Toy story 2, finding Nemo, cars, a bugs life, and the incredible, among others. As a part of merger agreements, Steve jobs, Pixar's chairman and CEO, became Disney's largest stockholder and assumed a seat on Disney's largest stockholder and assumed a seat on Disney's board of directors. John Lasseter, Pixar's top executive, now oversees development of movies at

both Pixar's and Disney's animation studios, and Edwin Catmull, Pixar president and technology chief, runs the business side for both studios.

The merger is expected to have far-reaching results. Writing in business week, Peter Burrows and his colleagues observe that if Steve Job's "can bring Disney the same kind of industry-shaking, boundary-busting energy that lifted Apple and Pixar-sky high, he could help the staid company become the leading laboratory for media convergence." Job himself thinks the future will be very exciting for the Disney- Pixar merger.

What did Job's, Lassester and Catmull accomplish as Pixar that brings so much excitement and high expectations to the merger? The three men are visionaries. In the mid – 1980s, Jobs saw the potential when "catmull and laseter believed they can use a computer animations to create a full length Disney thought computers could never deliver the nuance and emotion of hand-drawn animations." In continually achieving this vision, Pixar executives ensure that every movie gets the best efforts of the company's "brainy staff of animators, story tellers, and technologies." The creative staff is responsible for creating writing, and animating all Pixar films. "Pixar strives to hire animators who have superior acting ability – who's able to bring characters and inanimate objects to life, as though they have their own thought processes." Leseter, who guides the creative inspirations, maintains that good animated filmmaking is more about story telling than it is about innovative technology. Technology helps to tell a story; it supports and enhances creativity. However, Leseter maintains that animated film failures are never about bad technology but are always about bad storytelling.

Pixar brings to merger some very innovative proprietary technology that both reflects technical creativity and enables and supports animation creativity. With the technology side being led by Catmull, Pixar have developed several animation software packages including Marionette TM, ringmaster TM, Render man® and Luxo. Each is a proprietary software system that supports different aspects of computerized animations. Render man, for instance, is used to synthesize high-quality, photo-realistic images.

Luxo allows fewer people to do more work, thus enhancing productivity. It also promotes creativity by automatically making adjustments to the animation environment when changes are made, for example, in the appearance of animated characters.

Pixar's technological and creative genius have resulted in widespread acclaim and numerous film industry awards. The academy of motion pictures arts and sciences reorganized the technical and creative advancements exemplified by Render man by awarding Oscar to Catmull, Loren Carpenter, (senior scientist), and Rob Cook ( vice chairman of software engineering). In total, Catmull has won three scientific and technical engineering awards. The produce's guild of America honoured Pixar for achievement in new media and technology with its first Vanguard award 2012. Lassester have won two Oscars for his direction of animated films. In 2004, the art Directors Guild also honoured Lassester with its outstanding contribution to the cinematic imagery award. Over the years, "Pixar animation studios and its employees have received more

than 100 awards and nominations for animated films, commercials and technical contribution.” While Pixar’s key employees receive significant financial incentives, this does not seem to be the force that drives them; rather, it is the creative freedom they are granted. Andrew Stanton, one of cowriters and co-directors of finding Nemo, is impressed with the creativity and quality of people at Pixar “pale comparison.” Pixar had created a working environment and working conditions that help to attract, motivate, and retain quality employees. “The enviably progressive working environment nurtures and sustains creativity, and the dividend has been a box-office winning streak that stands in notable contrast to the hit-and-miss model of almost every other movie studio.”

a) Analyse the case showing your acquaintance with the following motivation theories:

- i) Mc Clelland Three-need theory,
- ii) Herzberg’s two-factor theory
- iii) Expectancy theory. (15mks)

b) What needs does Pixar appeal to through its commitment to creative innovation and excellence? (5mks)

c) With reference to the case study, discuss the importance of leadership in organization success. (5 mks)

### **Question Two**

(a) Explain the ways in which you would apply the principles of management advanced by Henri Fayol in managing an organization today. (10 Marks)

(b) Discuss the Philosophy of Management By Objectives as profounded by Peter Drucker in 1954. (15 Marks)

### **Question Three**

(a) Analyze the relative importance of managerial skills and functions in relation to organization hierarchy. (15 Marks)

(b) Discuss the leadership continuum bringing out leadership styles. (10 Marks)

### **Question Four**

(a) Explain how Maxweber’s theory of Bureaucracy supports the organizing function of management. (15 Marks)

(b) With the aid of a diagram, describe the main elements of a matrix type of organization. (10 Marks)

### **Question Five**

(a) Discuss the main steps required for the application of the scientific approach to management. (15 Marks)

(b) Evaluate the impact of the scientific approach to management to organizations today. (10 Marks)