

DP04

Principles of Management

10 APRIL 2003

1. Time allowed : Three (3) hours
2. Total number of questions : Six (6) questions
3. Number of questions to be answered : Four (4) questions [25 marks each]
4. Begin each answer to a new question on a fresh page.
5. Answer **all** questions in **English**.
6. Blank pages are provided at the end of the question paper for rough work.

ANSWER FOUR (4) QUESTIONS ONLY

1. (a) Why is communication so important in management? [10]
- (b) Explain how managers can make the entire process of communication more effective. In your answer, relate examples on how the process of communication can be made more effective. [15]
(Total:25 marks)
2. (a) Various ways are used by managers to make jobs more motivating.
Describe, in detail, some of the common practices that are used to motivate staff to higher levels of productivity. [10]
- (b) "Money is the greatest of all motivators!"
Would you agree to this statement? Explain in detail, why you agree or disagree with the statement. State the relevant theories to support your argument. [15]
(Total:25 marks)
3. (a) Describe, in detail, the management functions and illustrate your answer with examples. [12]
- (b) In addition to management functions, managers also perform certain management roles.
Describe, in detail, these management roles and illustrate your answer with examples. [13]
(Total:25 marks)
4. Your manager has assigned you to help Department A where a culture of mistrust seems to be prevalent. The supervisor who heads Department A seems to be having problems in helping to create a sense of trust amongst his subordinates. Your job is to help the supervisor create a culture of trust.
How would you advise and what will your advice be to the supervisor in this assignment? [15]
(Total:25 marks)
5. (a) What are the advantages and disadvantages of group decision-making? [10]
- (b) Describe the techniques that might be employed for better group decision-making. [15]
(Total:25 marks)
6. Describe the Hawthorne studies and discuss how these studies, which were conducted in the 1930s, had an effect on management practice. Illustrate your answer with examples. [15]
(Total:25 marks)

OUTLINE ANSWERS

Question 1

Candidates can improve their answers for part (b) by drawing out the communication process and then elaborate on each communication stage could be improved to make communication more effective.

1. (a) The candidate will need to explain how the lack of communication and miscommunication can hinder work processes. Some examples would help to make for a good answer. For example, miscommunication has led to the loss of customers as orders get unfulfilled or fulfilled late. Candidates should note that effective communication is not only accurate communication but also speedy and timely communication. In sending a message, a sender not only sends facts, but also his/her feelings and attitudes, tone and body language.
- (b) The candidate will need to map out the communication process, i.e. sender, encoding, message, media, decoding, receiver, feedback and noise. The candidate will do well to discuss each of these process stages separately and briefly explain how managers can make such process stages more coherent and effective. For example, the candidate might relate how a message encoded positively and enthusiastically may get a better result than one that is dry and dead.

Question 2

This question was generally well answered. However, those who obtained high marks were the few candidates who were able to give strong arguments both for and against the statement that money is the greatest of all motivators.

2. (a) The candidate will be expected to list down some of the common practices that managers use to increase motivation levels. The most common is the form of monetary incentives (sales commissions and sales incentives), year-end trips, recognition programmes and so on. The candidate will be expected to describe these methods in detail.
- (b) The candidate will need to take a position on this one – or so it seems. However, the truth of the matter is that while money motivates, it only motivates for a while. Candidates will be expected to expound on Herzberg's theory on this question.

Question 3

Candidates were able to list and describe the management functions and management roles.

3. (a) The management functions are planning, organising, staffing, directing and controlling. The candidate will do well to describe these functions in detail. The candidate should take an example of a project and illustrate how the process of planning, etc. will fit into the successful implementation and running of the project. The candidate will need to draw the necessary relationships between the five functions of management.
- (b) The roles are interpersonal roles (figurehead, leader, liaison officer); informational role (monitor, disseminator, spokesperson) and decisional roles (entrepreneur, disturbance handler, resource allocator and negotiator). Candidates are expected to elaborate on these roles.

Question 4

- Many of those who attempted this question did not “diagnose” the problem before giving the solutions to creating a culture of trust in a department where mistrust is prevalent.
- The solutions given were good, but the candidates missed the point that it could also be the supervisor’s fault, and these solutions would not be relevant in this situation.

4. The candidate is expected to answer the question by:
- Asking why the supervisor is having so much trouble creating the culture of trust. This means that an analysis of the current situation will need to be made. Weaknesses on the part of the supervisor will need to be exposed to the supervisor and corrective actions taken at that level.
 - Helping the supervisor understand that trust means having and demonstrating integrity, competence, consistency, loyalty and openness. The candidate will be expected to elaborate on these aspects in greater detail and a mere mention of these five dimensions alone will not be enough.
 - The candidate will then be required to map out practical ways of creating trust, i.e. practising openness, being fair to all, speaking their feelings and allowing others to express their feelings without any intimidation and retaliation, telling the truth at all times, practising consistency, keeping promises made and demonstrating competence at all times to maintain the confidence of subordinates.

Question 5

Most candidates did well in listing the advantages and disadvantages of group decision-making. However, many candidates described the process of problem-solving, instead of the techniques available to help team members develop better group decision-making.

5. (a) The candidate will need to compare and contrast the advantages (more complete information due to greater levels of inputs, more alternatives generated, better acceptance of solution chosen, increased legitimacy) and the disadvantages (time consuming, group think, minority domination, pressure to conform and lack of clarity in responsibility). Illustration will make the answer stronger.
- (b) Techniques include brainstorming, nominal group technique [NGT] (where participants are required to give their solutions before any discussion is made), the use of the Delphi technique (which is a sort of NGT but without the presence of the participants) and so on.

Question 6

Those who attempted this question described the Hawthorne experiments well but only a few could translate the findings into effect on management practice. This was because most candidates were able to remember the facts but were not able to think deeper to apply the knowledge in answering the question.

6. The candidate will be required to describe the Hawthorne studies. The studies are well documented and can be read in the Robbins textbook. Candidates to demonstrate how these studies affected management practice. The fact is that the studies show that behaviour and sentiments are closely related. This means that when sentiments are positive, behaviour tends to be positive, resulting in greater levels of productivity. This led to the concept of keeping employees motivated. The studies also demonstrated that group influences can affect individual behaviour and that group standards establish individual worker output. That being so, it would be important for managers to identify those members of the group who can positive influence the group (as well as identifying those who tend to exert negative influence and then try to either nullify or win them over). The studies also show that while money is important, it is not the only factor and that other factors such as group standards, group sentiments and security may actually play bigger roles than money. The candidate will need to relate these studies to modern day management practices and principles.