

**DP04**

# **Principles of Management**

**14 APRIL 2005**

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) How did Robbins and Coulter (1999) describe a “learning organisation”? [3]
- (b) List **three** generic characteristics of a learning organisation. [6]
- (c) According to Senge (1990), what are the **four** dimensions of a learning organisation? List the characteristics under each dimension. [16]  
(Total:25 marks)
2. (a) Briefly describe what “organisation culture” is. [3]
- (b) Identify and briefly describe **seven** dimensions that capture the essence of an organisation’s culture. [14]
- (c) Briefly describe **four** ways how employees can learn about an organisation’s culture. [8]  
(Total:25 marks)
3. (a) Describe the human resource management (HRM) process. [10]
- (b) With examples, describe how line managers can contribute, within their area of influence, to the relevant stages in the HRM process. [15]  
(Total:25 marks)
4. (a) Describe the **eight** steps in the decision-making process model. [19]
- (b) Describe, with examples, **two** types of decisions usually made in an organisation. [6]  
(Total:25 marks)
5. (a) (i) There are two categories of approaches that managers must take to successfully implement change in an organisation.  
Name these **two** categories. [3]
- (ii) For each category in (a)(i), list **five** actions that could be taken to implement change. [10]
- (b) Briefly describe **four** approaches that an organisation can adopt to cultivate an environment of learning and innovation to keep up with change. [12]  
(Total:25 marks)
6. (a) Identify and briefly describe **three** levels of managers in an organisation. [6]
- (b) What are **three** essential skills that managers must have to perform their functions effectively? [6]
- (c) Briefly describe **three** typical roles that managers play in an organisation. [13]  
(Total:25 marks)

## **OUTLINE ANSWERS**

The comments given in the boxes below indicate the areas of weaknesses the examiners have identified and their advice to future candidates.

### **Question 1**

Candidates were unable to list the dimensions of a learning organisation and the characteristics under each dimension.

1. (a) A learning organisation is described as “an organisation that has developed the continuous capacity to adapt and change because all members take an active role in identifying and resolving work-related issues”.
- (b) The **three** generic characteristics are:
  - A culture of continuous learning.
  - An attitude to adapt and change.
  - Active participation from members in organisation in identifying and resolving work-related issues.
- (c) The **four** dimensions and their characteristics of a learning organisation are:
  - **Organisation design**
    - Boundary-less
    - Teams
    - Empowerment
  - **Organisation culture**
    - Strong mutual relationships
    - Sense of community
    - Caring
    - Trust
  - **Leadership**
    - Shared vision
    - Collaboration
  - **Information sharing**
    - Open
    - Timely
    - Accurate

### **Question 2**

Candidates had poor overall understanding of the concepts examined.

2. (a) Organisation culture is a system of shared meaning in an organisation that determines how the employees act and behave.
- (b) The **seven** dimensions to describe an organisation’s culture are:
  - **Innovation and risk taking**
    - The degree to which employees are encouraged to be creative, innovative and to take risks.
  - **Attention to detail**
    - The degree to which employees are expected to exhibit precision, analysis and attention to detail.

- **Outcome orientation**
    - The degree to which managers focus on results or outcomes.
  
  - **People orientation**
    - The degree to which management decisions take into consideration effects of outcomes on people within.
  
  - **Team orientation**
    - The degree to which work activities are organised around teams rather than individuals.
  
  - **Aggressiveness**
    - The degree to which people are aggressive and competitive rather than easygoing and co-operative.
  
  - **Stability**
    - The degree to which organisational activities emphasise on maintaining status quo in contrast to growth.
- (c) Employees can learn about an organisation’s culture through:
- **Stories**
    - Stories about how the company was founded or on personality, values and struggle of founder.
  
  - **Rituals**
    - Repetitive sequence of activities or patterns of behaviour that continuously reinforce the key values of the organisation.
  
  - **Material symbols**
    - Use of symbols can reinforce the acceptance of organisational culture, e.g. dress code, corporate perks, etc.
  
  - **Language**
    - “Lingo” or language that only individuals in the organisation understand.

**Question 3**

Candidates did not provide examples to support their answers.

3. (a) The HRM process comprises:
- Human resource planning
  - Recruitment
  - Selection
  - Staff orientation
  - Performance appraisal
  - Training and development
  - Promotion, transfers, demotions and decruitment

*Candidates are expected to list down these processes with brief descriptions and linking them up in a logical sequence.*

- (b) Line managers can contribute within their area of influence in the following stages:
- Human resource planning
  - Staff orientation
  - Performance appraisal

- Training and development
- Promotions and transfers

*Candidates are expected to understand the processes in relation to its application at a work place (based on their personal experiences or readings)*

#### **Question 4**

Candidates were unable to describe the types of decisions usually made in an organisation.

4. (a) The 8 steps in the decision-making process model are:
- **Step 1: Identify the problem**
    - The problem must be clearly identified and goal of making decision determined.
  - **Step 2: Identify the decision criteria**
    - The decision criteria determined and designed.
  - **Step 3: Allocate weights to the criteria**
    - The process of allocating weights to each criterion according to importance and priority.
  - **Step 4: Develop alternatives**
    - The decision maker develops a set of alternatives and identify the options available.
  - **Step 5: Analyse alternatives**
    - Alternatives again measured against decision criteria. A trade-off analysis is done at this stage.
  - **Step 6: Select an alternative**
    - An alternative is selected at this stage.
  - **Step 7: Implement the alternative**
    - Selected alternative implemented as a solution.
  - **Step 8: Evaluate effectiveness of decision**
    - Selected alternative measured against standards set. Alternative measured for effectiveness in bringing desired results.
- (b) The **two** types of decisions usually made in an organisation are:
- **Programmed decisions**
    - Predictable response or process to undertake in response to a well-defined problem
    - Approach by way of procedure, rule and policy
  - **Non-programmed decisions**
    - Decision customised to resolve specific, unpredictable and new problem
    - Decision could be unique and may never be used again in future

#### **Question 5**

Most of the answers provided were speculative in nature i.e. not supported by any theory or fact.

5. (a) (i) Two categories of approaches are political/organisational actions and people-oriented actions.

- (ii) Political or organisational actions (any **five**):
- Determine who can facilitate or oppose change
  - Cultivate and build a broad coalition to support the change
  - Identify key positions and fill them with change agents
  - Use taskforce to guide implementation
  - Use dramatic, symbolic changes that affect work
  - Redesign relevant component of the organisation structure
  - Track progress of change

People-oriented actions (any **five**):

- Create a sense of urgency about the need for change
- Prepare people to adjust to change
- Help people deal with the pain of change
- Keep people informed about the progress of change
- Demonstrate continued commitment to the change
- Empower people to implement change

*Candidates are not expected to explain each of the points, just listing them down would suffice.*

- (b) **Four** approaches that an organisation can adopt to cultivate are:
- **Create an environment that appreciates flexibility and learning**
    - Employees encouraged to brainstorm and suggest ways to improve efficiency and productivity
    - Encourage thinking and articulation to cultivate confidence amongst employees
    - Mistakes made treated as a process of learning
  - **Encourage innovation and entrepreneurial activity**
    - Brainstorming sessions to elicit innovative ideas
    - Allow employees to run their own division
    - System of profit sharing implemented
  - **Facilitate diffusion of learning in the organisation**
    - Facilitate new knowledge coming into organisation
    - Hire new staff with required new knowledge or hire consultants
    - Provide opportunity for employees to learn from new teams or people
  - **Reward learning and innovation**
    - Formal incentive scheme that reward employees for learning and innovation to cultivate positive learning habits
    - Employees sent for training or sponsored learning programme
    - Certification rewarded with promotion or increment

#### **Question 6**

Candidates lacked overall conceptual understanding and mainly regurgitated facts in their answers.

6. (a) Three levels of managers in an organisation are:
- **Top managers**
    - Those holding positions of chief executive officer or president.
    - They ensure objectives are established and accomplished in line with organisation's mission and vision
  - **Middle managers**
    - Report to top managers
    - Control large departments or divisions

- **First-line managers**
    - Those holding position of team leader or supervisor
    - Manage work unit comprising non-managerial workers
- (b) Three essential skills that managers must have are:
- **Technical skills**
    - Include knowledge of and proficiency in certain specialisation
  
  - **Human skills**
    - Include the ability to work well with other people
  
  - **Conceptual skills**
    - Include the ability to conceptualise ideas and solutions
- (c) Three typical roles that a manager plays in an organisation are:
- **Interpersonal roles**
    - Figurehead
    - Leadership
    - Liaison activities
  
  - **Informational roles**
    - Monitoring
    - Disseminating information
    - Spokesperson
  
  - **Decisional roles**
    - Entrepreneur
    - Disturbance handler
    - Resource allocator
    - Negotiator