

DPO4

Principles Of Management

14 OCTOBER 1999

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| 1. Time allowed | : Three (3) hours |
| 2. Total number of questions | : Six (6) questions on 1 page |
| 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 . | |

ANSWER FOUR (4) QUESTIONS ONLY

1. (a) Describe the following theories of motivation:
- (i) Abraham Maslow's Hierarchy of Needs [5]
 - (ii) Douglas McGregor's Theory X and Theory Y [5]
 - (iii) Victor Vroom's Expectancy Theory [5]
- (b) State how an understanding of the **three** theories of motivation in (a) will be important in management's efforts to increase productivity in organisations. [10]
(Total:25 marks)
2. Henry Mintzberg's management roles are grouped into the following **three** roles:
- interpersonal;
 - informational; and
 - decisional.
- Discuss in detail the **three** roles. Your answer should also include the identifiable activities that managers would have to perform in these **three** areas. (Total:25 marks)
3. (a) Compare and contrast between "management" and "leadership". [8]
- (b) From the Managerial Grid's point of view, discuss how leaders may learn to better influence the achievement of organisational objectives and the development of its people. Your answer should include the **five** key leadership styles in detail. [17]
(Total:25 marks)
4. Describe how an organisation can change its organisational culture when the culture no longer supports the organisation's mission. Illustrate your answer with examples. (Total:25 marks)
5. (a) Describe the strategic management process. [13]
- (b) It has been argued that many organisations in Malaysia are far behind in the area of environmental scanning. Discuss what are the reasons for this situation. [12]
(Total:25 marks)
6. (a) Describe the team formation process. [12]
- (b) Describe in detail, the characteristics of effective teams. [13]
(Total:25 marks)

OUTLINE ANSWERS

Question 1

The most popular question attempted by candidates was on the theories of motivation by Maslow, McGregor and Vroom. A majority of candidates scored above average marks for this question. Vroom's Theory was the weakest of the three handled.

Students will be required to describe the three theories as follows:

Maslow

Hierarchy of needs:

- Physiological needs;
- Security needs;
- Social needs;
- Esteem needs;
- Self Actualisation needs.

Students will be required to list down examples of what these needs are. They are then required to explain that the meeting of the Lower Order Needs alone will not be enough to spur employees towards higher levels of motivation and productivity and that employers will need to consider also ways of meeting the Higher Level of Needs.

McGregor

Theory X (the assumption that the employee is generally disdainful of work and would rather not take on any responsibility) and Theory Y (the assumption that employees are creative and seek responsibility and can exercise self-direction).

Victor Vroom

$M = V \times I \times E$ where M = degree of motivation; V = attractiveness of the reward; I = the performance-reward linkage; E = Effort-performance linkage.

Students will then need to take all three and discuss why managers must understand all of these theories in order to optimally motivate their staff. The reason is that man being a complex creature, cannot be motivated using only one set of theory.

Question 2

Most of the candidates who attempted the question on Henry Mintzberg's management roles handled the question well.

The roles are as follows:

Interpersonal

Figurehead (symbolic head)
 Leader (responsible for his people)
 Liaison (maintains self-developed network of contacts)

Informational

Monitor (seeks and receives wide variety of information)
 Disseminator (transmits information and vision)
 Spokesperson (speaks on behalf of the organisation)

Decisional

Entrepreneur (searches for opportunities)

Disturbance handler (handles conflict)

Resource allocator (allocates limited resources fairly)

Negotiator (represents man and management)

Question 3

Comparison of “management” and “leadership” was generally not handled too well. Candidates were not totally convincing in their answers. However, those candidates who attempted the question on the Managerial Grid had a sound understanding of the topic and fared well.

- (a) Leaders are those who are able to influence others and who possesses managerial authority. Benis describes the differences between managers and leaders in the following manner:

Managers

Look at the bottom-line; maintains the status quo; relies on systems and rules; does things right; tends to do as they are told; administers rather than innovates.

Leaders

Look at the horizon; develops his people; inspires trust; does the right things; is innovative.

- (b) **Managerial Grid**

Students must describe:

(1,1) Impoverished Management

(9,1) Task Management; the Hitler style of management

(1,9) Country Club Management – focuses on people rather than on task

(5,5) Middle-of-the-Road Management

(9,9) Team Management

The holistic answer will also take into consideration how leaders might be able to attain the (9,9) position.

Question 4

Candidates who attempted the question on how an organisation can change its organisational culture knew about change but could not conceptualise the answer well. Illustrations were weak and generally off the point.

Students must be able to describe situations when organisational culture change is required. Conditions such as the current economically turbulent times and rapid market change may require that organisations too, loose their stodginess and become more adroit and flexible. 3M might be a good example of this.

Students will be expected to describe the change situation i.e.

- Conduct a cultural analysis to identify cultural elements that require change. Not all elements need changing.
- Clarify to employees that change is a prerequisite for survival.
- Appoint new leaders.
- Initiate reorganisation.
- Introduce new rituals to cement desired change.
- Change systems – selection, socialisation, evaluation, reward systems.

The current situation with banks in Malaysia can be cited as good examples.

Question 5

The least popular question attempted by candidates was on strategic management process. Only a small percentage of candidates attempted this question and most of them were unsure of what strategic management and its process entailed. No candidates attempted the question on environmental scanning, suggesting that students generally study for the sake of exams.

- (a) Students will need to describe the various stages of Strategic Management i.e.
- Identify the organisation's current mission and core competencies
 - Analyse the environment
 - Identify opportunities and threats
 - Analyse organisational resources
 - Identify strengths and weaknesses
 - Reassess the organisation's mission and objectives
 - Formulate strategies (pro-active, do-nothing, reactive strategies)
 - Implement strategies
 - Monitor and evaluate results
- (b) Companies are slow in analysing the environment because of:
- lack of expertise
 - lack of vision of the necessity of such analysis
 - inability to see beyond the immediate future
 - lack of knowledge of Strategic Management Process

Question 6

Another popular question was on team formation process and the characteristics of an effective team. Almost all scored above average marks for this question.

- (a) Forming – Storming – Norming – Performing – Adjourning
(see Robbins page 444)
- (b) Effective teams have :
- Clear goals
 - Unified commitment
 - Good communication
 - Relevant skills
 - Mutual trust
 - Negotiate rather than conflict
 - Appropriate leadership
 - Internal support
 - External support

Students will be required to describe the characteristics in detail.