

DP04

Principles of Management

12 APRIL 2007

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) List and briefly describe the Human Resource Management (HRM) process. [10]
- (b) In today's organisations, line managers are expected to play a prominent role in the HRM function.
- Explain and illustrate with examples how a line manager can contribute to some of the activities in the HRM process. [15]
- (Total:25 marks)
2. Control is an important link in the chain of management.
- (a) Briefly describe the other components in the chain of management and explain how control is linked to these components. [10]
- (b) List and explain, with examples, **ten** characteristics of an effective control system. [15]
- (Total:25 marks)
3. (a) (i) Explain Frederick Herzberg's motivation-hygiene theory. [7]
- (ii) Briefly describe how managers can use the Frederick Herzberg's motivation-hygiene theory to motivate their staff. [3]
- (b) (i) Describe McGregor's Theory X and Theory Y. [10]
- (ii) Describe how managers can use McGregor's Theory X and Theory Y to address the needs of their subordinates at the workplace. [5]
- (Total:25 marks)
4. (a) List and briefly describe **five** stages of the group development process. [10]
- (b) For each stage identified in (a) above, briefly describe the "signs" that indicate the changing relationships between group members from one stage to another. [15]
- (Total:25 marks)
5. "Centralisation is the concentration of authority for most decisions at the top level of an organisation and decentralisation is the dispersion of authority to make decisions throughout all levels of the organisation."
- Schemerhorn (2001)
- (a) What are the factors that influence the amount of centralisation or decentralisation in an organisation? [14]
- (b) Discuss, with examples, whether centralisation or decentralisation is a better approach in today's business environment. [11]
- (Total:25 marks)
6. (a) List and briefly describe **five** sources of power vested in a leader to influence work actions and/or decisions. [15]
- (b) Describe **five** ways a leader can cultivate trust in self-managed work teams. [10]
- (Total:25 marks)

– END OF QUESTION PAPER –

OUTLINE ANSWERS

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

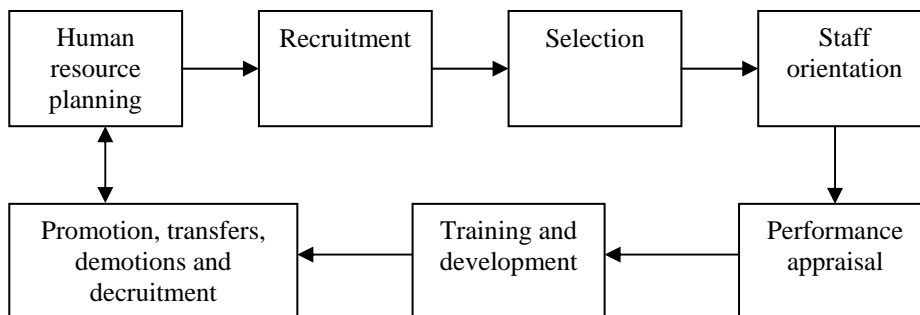
Question 1

- Candidates were unable to apply the concept of the Human Resource Management process in a workplace situation.
- Candidates could discuss concepts with other candidates as a preparation for exam in order to improve their ability to apply concepts in a workplace situation.

Preamble

The questions are intended to test on the understanding of the various concepts introduced to the candidates in the course of their studies and/or additional readings. Additionally, to test on their ability to appreciate the impact of some of this concept(s) on management practices in general – with assessment of application of some of the relevant concepts at their workplace, where applicable.

1. (a) The HRM process:



- (b) Line managers can contribute positively within their area of influence in the following:
- 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 2

- Candidates gave vague descriptions and explanations on the topics tested.
- Candidates should attempt to understand the concepts and avoid memorising factual details.

2. (a) The other components in the chain of management are:
- Planning
 - Organising
 - Leading

Candidates are expected to relate these components to control with brief descriptions of each of the components.

- (b) The characteristics of an effective control system:

- Accuracy
- Timeliness
- Economy
- Flexibility
- Easy to be understood
- Reasonable criteria
- Strategic placement
- Emphasis on exception
- Multiple criteria
- Corrective action

Candidates are expected to be able to explain these in relation with an example each.

Question 3

Candidates displayed a lack of understanding of the theories and poor application of the theories in a workplace situation.

Candidates need a better understanding of the theories to be able to apply concepts in a workplace situation.

3. (a) (i) The theory states that intrinsic factors are related to job motivation, whereas extrinsic factors are associated with job dissatisfaction.

The Frederick Herzberg's motivation-hygiene theory:

- Job dissatisfaction is influenced by job context or hygiene factors, amongst them:
 - working conditions
 - interpersonal relations
 - organisational policies
 - quality of supervision
 - base salary or wage
- Job satisfaction is influenced by job content or motivator factors, which include:
 - sense of achievement
 - feelings of recognition
 - sense of responsibility
 - opportunity for advancement
 - feelings of personal growth

- (ii) As a general rule, ensuring good job content helps to increase satisfaction and managers can use this understanding to motivate employees.

- (b) (i) McGregor's Theory X and Theory Y can be described as follows:
- McGregor's Theory X and Theory Y propose that managers should pay more attention to social and self-actualisation needs of people at work.
 - There is a need to shift views of human nature away from a set of assumptions, from Theory X to Theory Y
 - ✓ Theory X – assumes that people generally dislike work, lack ambition, are irresponsible, are resistant to change and prefer to be led.
 - ✓ Theory Y – assumes that people are willing to work, are capable of self-control, willing to accept responsibility and capable of self-direction.
- (ii) A manager can create situations, guided by Theory Y, to motivate subordinates to perform better and realise their full potential.

Question 4

- Candidates were able to identify all the five stages of the group development process.
- Candidates need to improve their understanding of the concepts instead of memorising in order to score higher marks.

4. (a) The five stages of group development process are:
- Forming – people coming together and there is purpose, structure, with leadership being defined
 - **signs* – caution, uncertainty, avoidance of conflict, search for direction
 - Storming – occurrence of intragroup conflicts
 - **signs* – conflict, power struggle, criticisms, challenges, questioning earlier decisions
 - Norming – members of group accept common group behaviour. Close relationship and cohesiveness achieved
 - **signs* – mutual support, willingness to consider alternatives, sharing, joking
 - Performing – group becomes functional and starts working together
 - **signs* – full involvement, acceptance of others' views, voluntary efforts, warm relationships
 - Adjourning – group disbands after tasks are completed
 - **signs* – attention directed towards wrapping up activities
- * answers for (b)*
- (b) Please refer to *signs* in (a) above

Question 5

Candidates demonstrated fair understanding on the centralisation and decentralisation in an organisation.

5. (a) Factors that influence the amount of centralisation or decentralisation in an organisation are:
- More centralisation
- Environment is stable.
 - Lower level managers are not as capable or experienced at making decisions as upper level managers.
 - Lower level managers do not want to have a say in decisions.
 - Decisions are significant.
 - Organisation is facing a crisis or the risk of company failure.
 - Company is large.
 - Effective implementation of company strategies depends on managers' retaining a say over what happens.
- More decentralisation
- Environment is complex.
 - Lower level managers are capable and experienced at making decisions.
 - Lower level managers want a voice in decisions.
 - Decisions are relatively minor.
 - Corporate culture is open to allow managers to have a say in what happens.
 - Company is geographically dispersed.
 - Effective implementation of company strategies depends on managers' having involvement and flexibility to make decisions.
- Candidates are expected to list down these factors in no particular order or sequence*
- (b) - *(Personal Response)*

This portion of the question is to allow the candidate to present a logical argument to support either one of the approaches, while being able to relate to examples from personal experiences from one's workplace.

Question 6

- Candidates could identify the five sources of power vested in a leader to influence work actions and/or decisions.
- Candidates were unable to provide brief descriptions on the sources of power vested in a leader to influence work actions and/or decisions.
- Candidates should emphasise on understanding the concepts instead of memorising the concepts during their preparation for the examination.

6. (a) Five sources of power vested in an individual/leader are:

- Legitimate power
 - ✓ From a formal position an individual holds in the organisational hierarchy
- Reward power
 - ✓ From an individual's ability to give rewards
- Coercive power
 - ✓ From an individual's ability to punish
- Expert power
 - ✓ From an individual's expertise, knowledge and competence in certain areas
- Referent power
 - ✓ From an individual's attractiveness and friendship with others

(b) Ways a leader can cultivate trust:
(Choose any **five** of the following)

- Practising openness
- Being fair
- Speaking one's feelings
- Telling the truth
- Showing consistency
- Fulfilling one's promise
- Maintaining confidence
- Demonstrating competence