

**DP04**

# **Principles of Management**

**6 SEPTEMBER 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 **two** types of planning in the management process and briefly describe **two** differences between them. [6]
- (b) Briefly describe **seven** benefits that can be derived from good planning in an organisation. [14]
- (c) List **five** criticisms of planning. [5]  
(Total:25 marks)
2. (a) Describe **four** circumstances under which a task should be delegated. [6]
- (b) Describe how a manager should delegate a task to a subordinate. [6]
- (c) List **five** important steps that a manager should take after delegating a task. [5]
- (d) Briefly describe **five** benefits of delegation. [5]
- (e) Briefly describe **three** reasons for the lack of delegation amongst managers. 3]  
(Total:25 marks)
3. (a) Describe Abraham Maslow's Hierarchy of Needs Theory. [15]
- (b) Illustrate, with examples, how an understanding of this theory can be used by a manager at the workplace. [10]  
(Total:25 marks)
4. (a) Identify and briefly describe **two** approaches that managers can take to implement change in an organisation. [17]
- (b) Describe **four** approaches that an organisation can adopt to cultivate an environment of learning and innovation to keep up with change. [8]  
(Total:25 marks)
5. Conflict is defined as "*perceived incomparable differences resulting in some form of interference or opposition*".  
- Robbins & Coulter (1999)
- (a) What are **two** main differences between functional and dysfunctional conflicts? [5]
- (b) List **six** circumstances that could give rise to conflicts in a workplace. [6]
- (c) Briefly describe **seven** actions that a manager can take to prevent or resolve conflicts. [14]  
(Total:25 marks)
6. (a) How did Robbins & Coulter (1999) describe a "learning organisation"? [3]
- (b) List **three** generic characteristics of a learning organisation. [6]
- (c) According to Senge (1990), what are **four** dimensions of a learning organisation? List the characteristics under each dimension. [16]  
(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 did not provide sufficient elaboration on the benefits and criticisms of good planning in an organisation.
- Candidates should emphasise understanding the concepts when preparing for the examination.

1. (a) Types of planning are:
- Formal planning
    - Objectives are written
    - Specific objectives are defined and made available
  - Informal planning
    - Nothing is written down
    - Little or no sharing of objectives

*Candidates are expected to list and distinguish the differences between the 2 types of planning.*

- (b) Seven benefits of good planning:
- Organisation knows its direction
  - Organisation efforts can be coordinated
  - Anxiety arising from uncertainty can be reduced as change can be anticipated
  - Managers can anticipate the consequences of their actions and determine the best course of action to be taken
  - Overlapping and wasteful activities are reduced
  - Confidence and good morale gained when incremental results achieved show that plans are on track
  - Standards or objectives are established to facilitate control
- (c) Five criticisms of planning:
- Planning may create rigidity
  - Plans cannot be developed for a dynamic environment
  - Formal plans cannot replace intuition and creativity
  - Planning focuses managers' attention on today's competition, not on tomorrow's survival
  - Formal planning reinforces success, which may lead to failure

### Question 2

- Candidates were able to provide the expected answers on task delegation.

2. (a) A task can be delegated under the following four circumstances:
- When a subordinate can do the tasks better
  - When the tasks are urgent but not of high priority
  - When the tasks are relevant to a subordinate's career
  - When the tasks are not central to the manager's role
- (b) A manager can go about delegating a task as follows:
- Specify and explain responsibilities clearly
  - Give adequate authority and clearly specify limits of discretion
  - Feedback: specifying reporting requirements
  - Ensure subordinate's acceptance of responsibilities
- (c) Five important steps that a manager should take after delegating:
- Inform others who need to know
  - Monitor progress in an appropriate way
  - Arrange for subordinate to receive necessary information
  - Provide support and assistance, yet be aware of reverse delegation
  - Make a mistake a learning experience
- (d) Five benefits of delegation:
- Improves the quality of decisions
  - Gets greater commitment from subordinates
  - Saves manager's time
  - Acts as a form of job enrichment
  - Acts as an effective method of management development
- (e) Reasons for the lack of delegation amongst managers:  
*(Give any 3 of the following)*
- They have a strong need for power
  - They doubt their subordinates' abilities
  - They perceive their subordinates have different values and objectives
  - They have a strong need for personal achievement

### **Question 3**

- Candidates demonstrated good understanding of Abraham Maslow's Hierarchy of Needs Theory. However, they were unable to relate the theory to a practical application in the workplace.
- Candidates need to be better prepared by reading various texts rather than only the DP04 study manual.

3. Five levels of human needs:

- physiological needs: basic human needs for food, clothes, sex and physical well-being
- safety needs: need for security, protection and stability in events of day-to-day life
- social needs: need for love, affection and a sense of belonging in one's relationships with other people
- esteem needs: need for esteem in the eyes of others and recognition, prestige, etc.
- self-actualisation needs: individual becomes what he/she is capable of, i.e., a stage of personal fulfillment

*Candidates are expected to identify the 5 levels of human needs, offering relevant explanation for each of them.*

*Candidates are expected to illustrate the understanding of the application of the theory to motivate employees at the workplace, with appropriate examples.*

### **Question 4**

- Candidates failed to provide the approaches managers can adopt to implement change and also the approaches an organisation can adopt in keeping up with change.
- Candidates need better preparation and understanding of the subject matter.

4. (a) Two approaches that managers can take to implement change in an organisation:

- Political or organisational actions:
  - 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 components of the organisation structure
  - Track progress of change
- People-oriented actions:
  - 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

- (b) Four approaches that an organisation can adopt:
- Create an environment that appreciates flexibility and learning:
    - Employees are encouraged to brainstorm and suggest ways to improve efficiency and productivity
    - Encourage thinking and articulation to cultivate confidence amongst employees
    - Mistakes made are treated as a process of learning
  - Encourage innovation and entrepreneurial activity:
    - Brainstorming sessions to elicit innovative ideas
    - Allow employees to run their own divisions
    - 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 opportunities for employees to learn from new teams or people
  - Reward learning and innovation:
    - Formal incentive scheme that rewards employees for learning and innovation to cultivate positive learning habits
    - Employees sent for training or sponsored learning programmes
    - Certification rewarded with promotion or increments

**Question 5**

- Candidates demonstrated fair understanding of conflicts in a workplace situation. However, they were unable to describe the actions a manager can take to prevent or resolve conflicts.
- Candidates need a better understanding of contents and to improve their grasp of the English language in order to provide clearer explanations.

5. (a) Two main differences between functional and dysfunctional conflicts:

Functional conflict

- Constructive conflicts
- Provides opportunity for people to be stimulated to a higher level of performance, cooperation and creativity

Dysfunctional conflict

- Destructive conflicts
- If not handled properly, may hurt task performance and paralyse a workplace

- (b) Six circumstances that could give rise to conflicts in any workplace:

- Role ambiguities and unclear job expectations
- Resource scarcities
- Task interdependencies
- Competing objectives
- Structural differentiation
- Unsolved prior conflicts

- (c) Seven actions that a manager can take to prevent or resolve conflicts:  
(Give any 7 of the following)
- Using super-ordinate goals and asking conflicting parties to focus on the goals
  - Expanding resources
  - Altering one or more human variables via transfer or re-deployment
  - Altering physical environment by rearranging workplace or redesigning workflow
  - Using integrating devices or coordinating mechanisms of cross-functional teams or a matrix organisation
  - Changing reward system to reduce tension
  - Implementing policies and procedures to overcome ambiguity and direct behaviour
  - Sending workers for training in good communication and work habits

**Question 6**

- Candidates displayed good understanding of a learning organisation.
  - Candidates need to improve their command of the English language in order to gain better marks.
6. (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) Three generic characteristics of a learning organisation:
- A culture of continuous learning
  - An attitude to adapt and change
  - Active participation from members of the organisation in identifying and resolving work-related issues
- (c) The four dimensions and their characteristics of a learning organisation:
- Organisation Design
    - No boundary
    - Teams
    - Empowerment
  - Organisation Culture
    - Strong mutual relationships
    - Sense of community
    - Caring
    - Trust
  - Leadership
    - Shared vision
    - Collaboration
  - Information Sharing
    - Open
    - Timely
    - Accurate