

**DP04**

# **Principles of Management**

**9 MAY 2002**

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) Describe, in detail, the Charismatic Leadership Theory. [12]
- (b) Would you agree if someone says to you that there is really only one best type of leadership style? Explain fully why you do, or do not agree with this person. [13]  
(Total:25 marks)
2. (a) Describe, in detail, the sources of power that a manager might acquire and use in an organisation. [15]
- (b) How would the appropriate use of these power sources and bases be helpful in team development? [10]  
(Total:25 marks)
3. (a) Describe, using examples, Henri Fayol's 14 principles of management. [20]
- (b) Early researchers such as Frederick Taylor and Henri Fayol thought that by using scientific methods, the "one best way" for a job to be done could be found.
- In your opinion, is the "one best way" thought still valid in today's working environment? Give reasons for your answer. [5]  
(Total:25 marks)
4. (a) What are the stages of group development? Describe them in detail. [10]
- (b) What are the advantages and disadvantages of the group decision-making process? Illustrate your answer with examples. [15]  
(Total:25 marks)
5. (a) David McClelland's work on the three-needs theory is used to help employers understand how to motivate employees better.
- Describe the three-needs theory in detail. [12]
- (b) It has been suggested that it is difficult to motivate employees as they have different needs. Furthermore, an incentive that motivates one employee may not motivate another.
- If that is so, how then might management go about motivating their employees? [13]  
(Total:25 marks)
6. (a) Organisational culture is a descriptive term that is used to describe how a particular organisation is perceived by its members.
- What are the dimensions that can be used to help a person understand the essence of an organisation's culture? [12]
- (b) In what ways can a newcomer to an organisation learn about the culture of the organisation? Illustrate your answer with examples. [13]  
(Total:25 marks)

## **OUTLINE ANSWERS**

### **Question 1**

- Many candidates did not do well in describing the theory.
- Candidates' efforts were average in agreeing/disagreeing with the statement that there is only one best type of leadership style – most likely due to language limitation.

1. (a) The student should understand that this is but one of the theories of leadership. He should be able to outline the theory, i.e. that the possession of certain behaviors seem to be necessary for one to be called a leader. The key characteristics of charismatic leaders should be elaborated upon (self confident; people with vision; good communication skills so as to be able to properly articulate the vision; strong convictions and commitment; change agents; sensitivity to environmental restraints and conditions). The student should also make a point about what types of situations would be good for charismatic leaders and what types would not. For example, in very stable situations, charismatic leaders might be more of a burden than an asset.
- (b) The student should be able to argue that since this is a complex world, one best leadership style does not really exist. After all, there are all sorts of followers who are motivated by different things and so leaders ought to learn to adapt to situations and be flexible. Examples should be given, like for instance, in some situations, autocratic leadership is called for (e.g. in crisis situations) but a more democratic type of leadership would be required in other situations (e.g. if followers are very mature and the situation is stable).

### **Question 2**

- Part (a) on the sources of power was straight forward, and hence, was generally well done.
- Part (b) required candidates to apply the theory in practice. Candidates were unable to connect the power theory with their examples.

2. (a) The student should be able to describe in detail the following: legitimate power; coercive power, reward power; expertise power and referent power as well as define power in general terms. The student must remember that this part of the question asks for “acquire and use” and should therefore outline how a manager who lacks in a certain power might go about acquiring and using this new source of power. For example, a manager who is generous but finds it hard to punish ineffective workers might need to acquire some higher levels of coercive power. The student will do well to describe how this might be achieved.
- (b) The student will be required to give examples of how expertise power might be use to motivate team members to perform better; how coercive power might be used to instill discipline and so on.

### **Question 3**

Candidates described Henri Fayol's 14 principles of management very well. Candidates were also able to provide their reasoning on the statement that is based on the above theory.

3. (a) The description of Henri Fayols's fourteen principles of management can be found in the text. They are, namely, division of work; authority; discipline; unity of command; unity of direction; subordination of individual interests to the general interests; remuneration; centralisation; scalar chain; order; equity; stability of tenure of personnel; initiative; esprit de corps.
- (b) The student should explain for instance that the fourteen principles were and are still valid and good but that as mechanisation and computerisation takes a greater role, there might not be

one best way to do a job. In some situations, e.g. in countries where labor is cheap and plentiful and where mechanisation is low, the principle of “one best way” might be applicable.

#### **Question 4**

This question on group development and group decision-making process was well answered as it was straightforward.

4. (a) This part is straightforward and only requires the student to describe the five stages of team development, i.e. forming, storming, norming, performing and then adjourning.
- (b) Again, another straightforward answer is asked for here. Students should look at the advantages and the disadvantages of group decision making like provision of more complete information, increase of group acceptance towards a decision made and so on as well as to disadvantages like time consuming, minority domination and others. What is crucial about this answer would be the provision of examples by the student to demonstrate the application of this concept rather than the mere regurgitation of information.

#### **Question 5**

- Part (a) on McClelland’s three-needs theory was well answered.
- For part (b) on motivating employees, some candidates attempted to link multiple options in motivation to apply to the answers but most of them merely quoted theories that did not answer the question clearly.

5. (a) The student will need to describe nAch; nPow and nAff in detail. Straightforward description is required here and the text will show exactly what is required.
- (b) This part is more demanding in that the student will have to discuss how, for example, money will be a great motivator to one person and yet that same amount will have no effect on another person. The student will be required to look into the other theories of motivation, e.g. Vroom’s expectancy theory and others to develop a good answer. Multiple options in motivation will have to be explored – nevertheless, the student should describe some of the macro-factors that are used to motivate employees. For example, while money is used to (generally) motivate sales people to produce more, management should give thought to the fact that recognition and promotion might produce even better results in some employees.

#### **Question 6**

- Not many candidates chose to do this question on organisation culture but those who attempted it did a fair job at the concept.
- Candidates were weak in applying the theory and giving relevant examples.

6. (a) The student should describe how organisational culture might be determined, i.e. from an observation of how a particular organisation takes risks, innovates, pays attention to detail, orientation towards people or results or teams, etc. Pages 80 and 81 of the text will cover this very well.
- (b) This is a bit more demanding in that the student must now describe how culture is learned and assimilated. He should take into consideration things like stories, rituals, language, symbolism and so on. For example, a newcomer might understand that the underlying culture is one of aggressive competitiveness by looking at how the company deals with those who succeed and those who fail.