EASTERN UNIVERSITY, SRILANKA
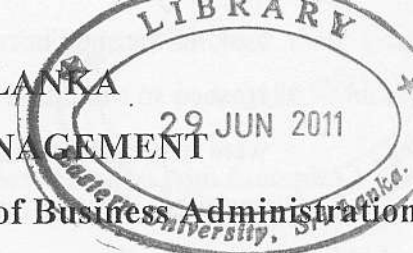
FACULTY OF COMMERCE & MANAGEMENT

First Year First Semester Examination in Bachelor of Business Administration

Commerce - 2009/2010(May/June 2011) (Proper/Repeat)

MGT 1124-PRINCIPLES OF MANAGEMENT

Answer all questions   **Time: Three Hours**

Q1.

Read the case and answer the questions below

Greyhound Lines Inc.

Everyone agreed that Greyhound lines had problems. The company was operating on paper thin margins and could not afford to dispatch nearly empty vehicles or have buses and driver on call to meet surges in demand. In the terminals, employees could be observed making fun of passengers, ignoring them, and handling their baggage haphazardly. To reduce operating cost and improve customer service, Greyhound's top executives put together a reorganization pla that called for massive cuts in personnel, routes, and services, along with the computerizatio of everything from passenger reservations to fleet scheduling.

However, middle managers disagreed with the plan. Many felt that huge workforce reduction would only exacerbate the company's real problem regarding customer services. Managers i computer programming urged a delay in introducing the computerized reservations system called Trips, to work out bugs in the highly complex software. The human resource department pointed out that terminal workers often had less than a high school education and would need extensive training before they could be expected to use the system effectively Terminal managers warned that many of Greyhound's low-income passengers didn't have credit cards or even telephones to use Trips. Despite the disagreements, executives rolled ou the new system, emphasizing that the data they had studied showed that Trips would improve customer service, make ticket buying more convenient, and allow customers to reserve space on specific trips. A nightmare resulted. The time Greyhound operators spent responding to phone calls dramatically increased. Many callers couldn't even get through because of problems in the new switching mechanism. Most passengers arrived to buy their tickets and get

on the bus just like they always had, but the computers were so swamped that it so took 45 seconds to respond to a single keystroke and five minutes to print a ticket. The crashed so often that agents frequently had to hand-write tickets. Customers stood in lo were separated from their luggage, missed connections, and were left to sleep in t overnight. Discourtesy to customers increased as a downsized workforce struggled to c a system they were ill-trained to operate. Ridership plunged sharply, and region continued to pick off Greyhound's dissatisfied customers.

Questions:

a) Was the decision facing Greyhound executives programmed or nonprogrammed? with case.

(07

b) Do you think they should have used the classical, administrative, or political n make their decision? Which do you believe they used? Discuss.

(07

c) Analyze the Greyhound case in terms of the six steps in the managerial decision process.

(07

d) Do you think top executives paid adequate attention to all six steps? If you Greyhound executive, what would you do now and why?

(07

**(Total 28**

Q2. a) Describe and discuss in detail, the management functions that are expected to perfo managers in an organization.

(05

b) Using illustrations, discuss how any **one** dysfunction in the above management fu might affect the effectiveness of an organization.

(06

c) "Certain roles and skills are usually required of all managers" Describe these ro skills.

(07

(Total 18
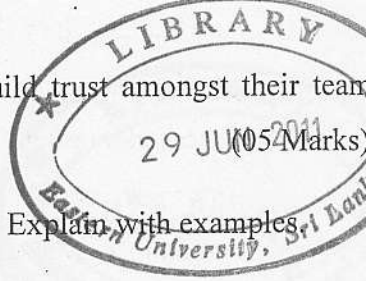
Q3. a) In the area of team building, it is vital for managers to build trust amongst their team members. Discuss in detail, why trust is vital in teams.

(05 Marks)

b) How can team leaders build trust among their team members? Explain with examples.

(06 Marks)

c) What do you mean by a strategy? And describe why it is important for planning?

(07 Marks)

(Total 18 Marks)

Q4. a) Describe the term "motivation".

(05 Marks)

b) Describe in detail, the motivation process.

(06 Marks)

c) Below are **three** motivation theories:

- Abraham Maslow's Hierarchy of Needs theory;
- Douglas McGregor's Theory X and Theory Y; and
- Frederick Herzberg's Motivation-Hygiene theory.

Using any **one** of the above motivation theories, describe how managers can motivate their staff.

(07 Marks)

(Total 18 Marks)

Q5. a) Discuss how the **four** leadership styles described under the Path-Goal theory might assist or hinder in the process of leading people using this model of leadership.

(05 Marks)

b) Discuss the importance and the requirements of an effective communication system.

(06 Marks)

c) Control is a fundamental management function that ensures work accomplishment according to plans. Analyze this statement and outline the essential steps in control process.

(07 Marks)

(Total 18 Marks)