



Essentials of Management

02 June 2016

Examination Paper

Section A	You must answer this question.
Section B	Answer any TWO (2) questions from this section. Clearly cross out surplus answers. Failure to do this will result in only the first TWO (2) answers being marked.

Time: 3 hours

The maximum mark for this paper is 100.

Any reference material brought into the examination room must be handed to the invigilator before the start of the examination.

Section A
You must answer this question

Marks

Question 1

You work for a company called *Focus Furniture* that specialises in producing office furniture for both businesses and home-office workers.

The company has been in operation for 15 years and has previously built a reputation for being one of the cheapest producers of office furniture in the marketplace. The business model was focused upon selling the products cheaply at a low margin but in high volumes.

However over the past 12 months the market share for *Focus Furniture* has fallen significantly as a number of new competitors have entered the market, particularly from overseas. These companies generally have a lower cost base, with access to a cheaper workforce and, as a consequence, they are producing office furniture at a low cost that *Focus Furniture* simply cannot compete with.

The Managing Director has therefore decided that a change of strategy is required. In the future she would like the company to compete at the high end of the market, using its experience in the design and production of office furniture to develop a range of offerings targeted at senior executives and directors.

The intention is that the furniture will be built to an exceptionally high standard using the best materials. It will gain a reputation for quality and will be sold at a premium price.

You are the manufacturing manager tasked with ensuring that the workforce responds positively to these new requirements. In particular you will need to:

- Implement controls to ensure that the standard of the finished products is of a suitably high quality
- Minimise the level of waste and rework because of the high costs of the raw materials to be used
- Make sure that the quality of the products is higher than the company's competitors in order to justify the high prices that will be charged

You will also need to demonstrate excellent qualities of leadership and an appropriate management style in order to ensure that all of the employees involved in manufacturing are fully committed to, and supportive of, any new ways of working. In particular, the Managing Director has stressed the need for these employees to increase both their levels of productivity and quality in order to successfully implement the planned strategic change.

	Marks
a) It is vital that appropriate management controls are implemented in order to ensure that the quality of the manufactured furniture is as high as possible.	
i) Compare and contrast <i>Feedforward Controls</i> and <i>Feedback Controls</i> and give your recommendation, with reasons, for which approach should be adopted by <i>Focus Furniture</i> .	8
ii) Explain how the following approaches to measuring performance could help to deliver high quality outputs for <i>Focus Furniture</i> , giving TWO specific advantages of each approach: <ul style="list-style-type: none"> • Personal observations • Statistical reports 	8
iii) Describe how <i>benchmarking</i> could be used to help <i>Focus Furniture</i> improve the quality of its manufactured goods.	4
b) List and briefly describe the THREE (3) different types of <i>competitive strategies</i> that can be adopted by an organisation and identify which one of these will be followed in the future by <i>Focus Furniture</i> .	10
c) Your leadership qualities and management style will be important factors in ensuring that the manufacturing staff adapt successfully to the new requirements.	
i) You believe that your leadership style should be <i>transformational</i> in order to succeed in the new working environment. Explain why this is the case.	5
ii) List the FIVE (5) dimensions that make up the concept of <i>trust</i> .	5
iii) Why are <i>drive</i> and <i>intelligence</i> frequently mentioned as important traits for effective leadership?	6
iv) What are the main characteristics of an <i>autocratic leader</i> ?	4
Total 50 Marks	

Section B

Answer any TWO (2) questions from this section

Question 2

- a) List FIVE (5) techniques that can be used by managers to resolve conflict within a group. 5
- b) Briefly describe the main characteristics of the following types of teams: 6
- Cross-functional
 - Virtual
- c) Identify THREE (3) key principles of the *Contingency Approach* to management. 6
- d) Which researcher was responsible for developing the *Principles of Management* theory and how many principles were contained within this? 2
- e) Explain what *intuition* is and how it can affect managerial decision making. 6

Total 25 Marks

Question 3

- a) List the FIVE (5) factors that *organisational behaviour* is intended to explain or influence. 5
- b) Why is it important to an organisation that its employees have high levels of *job satisfaction*? 5
- c) Briefly describe TWO (2) ways in which managers can shape the behaviour of employees. 6
- d) What are the main activities undertaken by a manager as part of the *Planning* function? 3
- e) List SIX (6) characteristics of *effective decision making*. 6

Total 25 Marks

Question 4

- a) Briefly describe the main principles contained in Douglas McGregor's *Theory X and Theory Y*. 6
- b) List the THREE (3) needs that are contained in the *Three Needs Theory* and name the researcher responsible for developing this theory. 4
- c) Explain how the growing use of *mobile technologies* is resulting in new challenges for managers. 6
- d) Define the terms *Efficiency* and *Effectiveness*. 4
- e) Why do *unstructured problems* frequently cause difficulties for decision makers? 5

Total 25 Marks

End of paper