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EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANGEMENT
2ND YEAR/1ST SEMESTER EXAMINATION IN BACHELOR OF ECONOMICS -
2002/2003 (JUNE/JULY 2003)

MGT 2034 PRINCIPLES AND PERSPECIVES OF MANAGEMENT

Answer all Questions

Time:03 hours

Q1.

A CULTURAL MISMATCH

National Press Ltd operates out of a complex of one-story cinder-block buildings in the industrial section of Colombo, Sri Lanka. A commercial printer of everything from local advertising to slick annual reports, National Press Ltd has stood unflinching since its founding in 1961. Inside the plant the air is ripe with the smell of ink and the hum of presses. National Press Ltd's CEO Robert Lewis grew up working in the company, first during his holidays, and then full time after University to work alongside his father and founder, Tony Lewis.

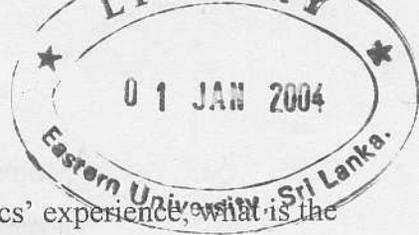
When Robert took over National Press Ltd, the business had twenty employees and Rs.10 million in sales. With a keen eye for assessing National Press Limited's strengths and weaknesses and with a drive to grow Robert forces to add quality and customer service. He found higher-margin market shares. The rapid technological changes overtaking the industry, however, limited future growth. Printing was moving quickly from the world of film, type, and light to the computer-driven, digitized world of the desktop. Robert tried to solve the problem by hiring a specialist to computerize National Press Limited's prepress process. But Robert soon learned that building digital desktop capability from scratch would cost more than 7.5million.

The solution to that problem-and to growth-came in the form of Lanka-Press Graphics Ltd. Lanka-Press Graphics Ltd had been one of the first in the state to aggressively use advanced desktop technology. It had already done much of the costly research and development work Robert knew he would have to undertake. In addition, because the

owner of Lanka-Press Graphics Ltd. had been spending a lot of time, money, and energy on the development of technology, however, the business have had no progress after time period. The owner was looking for a buyer.

National Press Ltd bought Lanka-Press Graphics Ltd. for Rs.5 Million, and the merging of the two companies began. Robert immediately had major problems with the change:

- It was hard to imagine two more different cultures than those of National Press Ltd and Lanka-Press Graphics Ltd. National Press Ltd is based in the heart of an industrial neighborhood. Lanka-Press Graphics Ltd. sits 15 km away, out in the bustling office parks and fast food joints.
- National Press Ltd's workers, many with ten or twenty years of service, wear dirty cloths, have ink under their finger-nails, and carry union cards. At Lanka-Press Graphics Ltd., people in running shoes and jeans sit in front of computer screens.
- National Press Ltd's management is not forceful, loose, and creates autonomy. The management at Lanka-Press Graphics Ltd. was intense, precise, and controlling.
- The move of National Press Ltd's twelve-person prepress department to consolidate with Lanka-Press Graphics Ltd. created complete confusion. The firms' procedures and systems did not fit together. Neither group had been given enough notice to plan for and comprehend the effects of the merger.
- Although National Press Ltd had bought Lanka-Press Graphics Ltd. specifically for its knowledge of desktop publishing; Lanka-Press Graphics Ltd. employees who knew how to operate the computers saw that National Press Ltd workers lacked those skills. They became protective of their knowledge and their jobs.
- A key National Press Ltd employee was sent to Lanka-Press Graphics Ltd. to work on the transition. He was sent with no job description and no defined role; as immediate trouble resulted with former Lanka-Press Graphics Ltd managers.
- Training courses on computer technology lasted for only one session. The "familiarization training" on the computer was announced. No one knew what that meant, and no one ever figured it out because it never took place.



Case questions:

- (a) Based on National Press and Lanka-Press Graphics' experience, what is the importance of culture in the change process? (07 marks)
- (b) What specific cultural factors caused problems in the change process? Cite examples to support your answer. (07 marks)
- (c) What specific mistake did National Press and Lanka-Press Graphics make in the change process? Cite examples to support your answer. (07 marks)
- (d) Using as your guide the nine steps in planned change, construct a change process to successfully merge National Press with Lanka-Press Graphics. (07 marks)

(Total 28 marks)

- Q2. (a) What are the four major functions that compromise the management process? (04 marks)
- (b) List and briefly define the types of skills important to managerial effectiveness. (05 marks)
- (c) "The development of management thought has been determined by times and conditions". Do you agree or disagree? Discuss. (09marks)

(Total 18 marks)

- Q3. (a) Explain the steps involved in the planning process. (05 marks)
- (b) What are the four important purposes of goals? (03 marks)
- (c) Critically evaluate how can the design of a job affects motivation of employees in an organization. (10 marks)

(Total 18 marks)

Q4. (a) "Motivation of subordinates is an important aspect of manager's job"
Describe the steps a manager can take to motivate his subordinates?
(05 marks)

(b) State three main factors influencing employee motivation process.
(03 marks)

(c) Why do you think organization have increased the use of group decision making during the past twenty years? Discuss.
(10 marks)

(Total 18 marks)

Q5. (a) Define leadership and explain its importance to the modern business organization?
(05 marks)

(b) What are the individual and organizational barriers to effective communication?
(04 marks)

(d) Identify characteristics of effective control, why people resist control, and how managers can overcome this resistance.
(09 marks)

(Total 18 marks)