

TRIBHUVAN UNIVERSITY
FACULTY OF MANAGEMENT

Office of the Dean
2015

Full Marks: 60
Time: 3 hrs.

BBA/BIM/ First Semester/MGT 201: Principles of Management

Candidates are required to answer the questions in their own words as far as practicable

Group 'A'

Brief Answer Questions:

[10×1=10]

1. List out the organization's resources.
2. What is psychological contract?
3. List out any two tools for decision making.
4. Diagrammatically show the tall and flat organization structures.
5. List out any four functions of Leadership.
6. Specify the classification of groups.
7. What are the types of control?
8. Give the meaning of managerial ethic.
9. Give the full form of PDCA and PERT.
10. List any two assumption of Theory X.

Group 'B'

Short Answer Questions:

[6×5=30]

11. What is planning? Discuss the steps in the process of planning.
12. Define Management? Explain the roles of managers as specified by Henry Mintzberg.
13. What is organizing? How matrix structure is important in modern multiproduct and multifunctional enterprise? Explain.
14. What is system? How the system theory is mostly applicable in the dynamic organization? Justify
15. What is quality control? Explain the emerging issues in Quality Management.
16. What is Organizational Development? Describe the areas of organizational change.

Group 'C'

Comprehensive answer questions:

[4×5=20]

17. Read the following case carefully and answer the questions that follow:

Lincoln Electric is one of the leading companies in the global market for arc welding equipment. This is a cost-competitive business in which consumers are price sensitive. Lincoln's success has been based on extremely high levels of employee productivity. The company attributes its productivity to a strong organizational culture and an incentive scheme based in piecework. Lincoln's organizational culture dates back to James Lincoln, who in 1907 joined the company his brother had established a few years earlier. Lincoln had a strong respect for the ability of the individual and believed that, correctly motivated, ordinary people could achieve extraordinary performance. He emphasizes that the company should be meritocracy where people were rewarded for their individual effort. Strongly egalitarian, Lincoln removed barriers to communication between worker and managers, practicing an open-door policy. He made sure that all who worked for the company were treated equally, for example, everyone ate in the same cafeteria, there were no reserved parking places for managers, and so on. Lincoln also believed that any productivity gains should be shared with consumers in the form of lower prices, with employees in the form of higher pay, and with shareholder in the form of higher dividends.

The organizational culture that grew out of James Lincoln's beliefs was reinforced by the company's incentive system. Production workers receive no base salary but are paid according to the number of pieces they produce. The piecework rates at the company enable an employee working at a normal pace to earn an income equivalent to the average wage for manufacturing workers in the area where a factory is based. Workers are responsible for the quality of their output and must repair any defects spotted by quality inspectors before the pieces are included in the piecework calculation. Since 1934 production workers have been awarded semiannual bonuses based on merit rating. These ratings are based on objective criteria (such as an employee's level and quality of output) and subjective criteria (such as an employee's attitudes toward cooperation and his or her dependability). These systems give Lincoln's employees an incentive to work hard and to generate innovations that boost productivity doing so influences their level of pay. Lincoln's factory workers have been able to earn a base pay that often exceeds the average manufacturing wage in the area by more than 50 percent, and they also receive bonuses that in good years can double their base pay. Despite high employee compensation, the workers are so productive that Lincoln has a lower cost structure than its compensation.

Questions

- a.** What types of motivation techniques are applied in Lincoln Electric? Do you think they are adequate?
- b.** Can you think of any possible unintended consequences of an incentive pay system based on piecework? How does Lincoln guard against these unintended consequences?
- c.** Examine the issues regarding the leadership and culture of Lincoln Electric. Do you feel this is the best way to manage the organization? Why? Why not?
- d.** Do Lincoln's control system match the strategy of the enterprise? How?