

**UNIVERSITY OF SWAZILAND**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**MAIN EXAMINATION PAPER, 2005**

**COURSE TITLE : TRAINING MANAGEMENT**

**COURSE CODE : BA 514**

**TIME ALLOWED : THREE HOURS**

**DEGREE AND YEAR : BACHELORS OF COMMERCE (YEAR – 5)**

**INSTRUCTIONS:**

1. There are two sections in this examination: Section – A & Section - B
2. Marks awarded are indicated at the end of each question
3. Marks will be awarded for good communication and for the orderly presentation of your work.
4. Wrong and incorrect answer will not get marks
5. Write the sub – heading and explain your answer clearly

**SPECIAL REQUIREMENT: NONE**

**THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR.**

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**SECTION – A**

**INSTRUCTION : THIS IS A COMPULSORY SECTION (40 MARKS)**

**READ THE CASE STUDY AND ANSWER THE  
QUESTIONS THAT FOLLOW**

**CASE STUDY: CATERPILLAR STREAMLINES ITS PRODUCTION PLANTS**

Big, yellow caterpillar earth-moving, construction, and materials-handling machinery can be seen along the highways and at construction sites across the United States. But Caterpillar Inc., known for its high-quality, rugged equipment, has not always rolled along smoothly. During the mid- 1980s, Caterpillar faced strong competition from Japanese firms, namely Komatsu, Ltd., and caterpillar's market shares suffered badly. The conservative executives at Caterpillar knew it was time to act. They dramatically changed their business by streamlining the manufacturing plants.

Caterpillar executives decided to invest over \$1 billion in a program called "Plant With a Future" (PWF), which was a total modernization of all caterpillar facilities. PWF has led to reduced inventories, faster production times, an improvement of Caterpillar's already-high quality, and a new sense of teamwork among Caterpillar workers. Before PWF, it took employees twenty days to assemble single clutch housing for a vehicle. Now, the process takes only four hours. Formerly, workers produced transmissions in five different locations. Today, transmission assembly takes place in one plant under one manager's control. Caterpillar employees even visit the plants of their suppliers to make suggestions about how they might improve production.

Caterpillar officials have also begun a policy of "certifying" suppliers who met their standards. These certified suppliers, 800 of Caterpillar's 4000 major suppliers, receive preferential treatment. Caterpillar receives near-perfect quality in return. The reject rate from these suppliers is very low.

In addition, Caterpillars officials are reinvesting heavily in their five remaining European plants. By installing computerized inventory systems and rear-ranging factory floor space, they hope to make these factories more efficient. Caterpillar knows it must cut costs and prices to compete with European manufacturers such as Fiat-Allis and Volvo AB. Streamlining factories is a key step in this direction.

At one time, Komatsu controlled 20 percent of the U.S. heavy-machinery market, which had formerly been dominated by Caterpillar. Since then, Caterpillar has regained another 5 percent from Komatsu. Officials at Caterpillar are very proud of the results of their PWF program. An executive vice president at caterpillar indicated that executives made the strategic decision early not to give up market share to anyone. To do this, Caterpillar must be competitive worldwide.

**QUESTION – 1.**

WHAT MAJOR FACTORS LED TO CATERPILLAR’S DECISION TO STREAMLINE ITS PRODUCTION OPERATIONS? (20 MARKS)

**QUESTION – 2.**

IN WHAT WAYS HAS CATERPILLAR BENEFITED FROM THE CHANGES MADE IN ITS MANUFACTURING PLANTS? (20 MARKS)

**SECTION – B**

**INSTRUCTION : ANSWER ANY THREE QUESTIONS ONLY.  
EACH QUESTION CARRIES 20 MARKS.  
(ALL ESSAY TYPE ANSWERS)**

**QUESTION – 3**

EXPLAIN THE TERM “TRAINING”. (5 MARKS)  
HOW CAN YOU IDENTIFY THE TRAINING NEEDS OF AN ORGANISATION?

(15 MARKS)

**QUESTION – 4**

ANALYSE THE TRAINING PROCEDURE. WHAT ARE THE STEPS INVOLVED IN IT?

(20 MARKS)

**QUESTION – 5**

ENUMERATE AND DISCUSS THE OBJECTIVES OF MANAGEMENT DEVELOPMENT.

(20 MARKS)

**QUESTION – 6**

WHAT DO YOU UNDERSTAND BY “MANAGEMENT OF CHANGE”? (5 MARKS)  
HOW CAN MANAGEMENT OVERCOME RESISTANCE TO CHANGE? (15 MARKS)