

UNIVERSITY OF SWAZILAND
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS ADMINISTRATION
MAIN EXAMINATION 2008
FULL-TIME AND I.D.E.

TITLE OF PAPER : PRINCIPLES OF MANAGEMENT
COURSE : BA 211
DEGREE AND YEAR : DIPCOM 2
TIME ALLOWED : THREE (3) HOURS

INSTRUCTIONS:

1. THIS PAPER CONSISTS OF SECTION (A) AND (B)
2. SECTION (A) IS COMPULSORY
3. ANSWER ANY THREE (3) QUESTIONS FROM SECTION B
4. THE TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE

NOTE: MARKS WILL BE AWARDED FOR GOOD COMMUNICATION IN ENGLISH AND FOR ORDERLY PRESENTATION

THIS EXAMINATION PAPER SHOULD NOT BE OPENED UNTIL INVIGILATOR HAS GRANTED PERMISSION

SECTION A (COMPULSORY)

READ THE FOLLOWING CASE AND ANSWER THE QUESTIONS BELOW

New-Style Decision Making at AT&T

Michael Armstrong is the new CEO of AT&T. He is the first outsider to head the company in eight decades. He must push AT&T-long considered a telecom dinosaur-into the Digital Age.

Armstrong's strategy involves both fine-tuning some businesses and also taking bold measures. The centerpiece of AT&T's post-deregulation strategy was its entry into the crucial, \$80 billion local phone market. When Armstrong came on board, the company had spent \$3 billion trying to crack the market. Revenues were at \$65 million. Most observers expected him to spend heavily.

Instead, he put a halt to the effort, pulling the plug on the former strategic centerpiece. This was three weeks into his tenure. "We're not a nonprofit organization" he said. He signaled clearly that old-style thinking would not cut it anymore.

Armstrong is working hard to break up AT&T's bureaucracy and place more emphasis in execution. "I'm demanding. If we're going to think through something, then get on with it. Don't study it to death. We'll never know everything we need to know. But we do know that if we don't make a decision in a timely way, we're in trouble."

On his second day on the job, when an executive made a request to experiment with a new idea, Armstrong merely said, with excitement, "Go do it." Two months into his tenure, he decided to sell off AT&T's underperforming paging unit. At the same time, the company acquired Teleport Communications Group-talks had been going on for years. John Zeglis, AT&T's president, says "Everything we do takes about a third of the time it used to take."

Armstrong discovered that three different committees were involved in similar top-level strategic decisions. But it was not clear who had final say. So he pared them down to just one group that meets every Monday to discuss top strategic priorities.

In decision-making style, Armstrong's predecessor was described as a courtroom judge.

Armstrong is called a coach. He asks questions, suggests alternatives, and tries to reach consensus. States an executive vice president, "The process is designed to allow the team to rally behind an idea."

It was rumored that Armstrong's contract was for three years. In fact, he has a six-year contract. He asks, "Can you imagine trying to turn AT&T around in three years?" After three months, he was off to a good start. How are he, and AT&T, doing now?

Source: P. Elstrom, with K. Kerwin, "New boss new plan," Business Week, February 2, 1998, 42¹⁸. 9

Questions

a) Explain why decision making is often described as the essence of the manager's job?
(10 MARKS)

b) Discuss Michael Armstrong's approach to decision at AT&T. (10 MARKS)

"Armstrong is working hard to break up AT&T's bureaucracy and place more emphasis in execution."

c) From the above statement, discuss how organizational culture influences the way managers make decisions (20 MARKS)

SECTION B (ANSWER ANY THREE QUESTIONS)**QUESTION 2**

Explain what a Learning Organization is, and then discuss the five factors identified by Senge which are necessary in building a Learning Organization. **(20 MARKS)**

QUESTION 3

There is little or no evidence to support the hypothesis that people have needs that are arranged in a hierarchy, as per Maslow's suggestion. Evaluate this view and discuss its implications (if it holds) to analyzing and understanding people's behaviour in the workplace. **(20 MARKS)**

QUESTION 4

(a) Explain what is Corporate Social Responsibility. **(5 MARKS)**

(b) Differentiate between social obligation, social responsiveness, and social responsibility. **(15 MARKS)**

QUESTION 5

A successful strategy implementation process hinges on 4 (four) factors. Discuss these factors, giving examples of situations where they can work well and where they are most likely to cause problems. **(20 MARKS)**