

**UNIVERSITY OF SWAZILAND**

**FACULTY OF COMMERCE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**SUPPLEMENTARY EXAMINATION PAPER**

**JULY 2012**

*(IDE STUDENTS)*

**TITLE OF PAPER:** INTRODUCTION TO FOUNDATIONS OF MANAGEMENT

**COURSE CODE :** BA 212

**DURATION :** 2 HOURS 30 MINUTES

**INSTRUCTIONS :**

1. TOTAL NUMBER OF QUESTIONS IN THIS PAPER IS FIVE (5)
2. THE PAPER CONSISTS OF TWO SECTIONS; SECTION A AND SECTION B.
3. ATTEMPT SECTION A WHICH IS COMPULSORY AND ANY OTHER THREE (3) QUESTIONS IN SECTION B.
4. THE MARKS ALLOCATED FOR A QUESTION/PART QUESTION ARE INDICATED AT THE END OF EACH QUESTION/PARTQUESTION.
5. WHERE APPLICABLE, ALL WORKINGS/CALCULATIONS MUST BE CLERLY SHOWN.

**NOTE: MAXIMUM MARKS WILL BE AWARDED FOR GOOD QUALITY LAYOUT, ACCURACY AND PRESENTATION OF WORK.**

**THIS PAPER MUST NOT BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR**

## **SECTION A (compulsory)**

Read the case below and answer the questions that follow.

### **Employee' Motivation at Tellabs, Inc.**

It's important to understand the reasons why effective managers must be concerned with employee motivation. After identifying some of the factors contributing to motivation, this case looks at how Tellabs, Inc. has successfully applied motivation theory.

Tellabs is based in the Chicago area, but is internationally known for its telecommunication products and services. However, recently the company gained fame when its stock increased by 1,683 percent over a five-year period, making Tellabs the best performing stock in that time on the New York Stock Exchange, the American Stock Exchange and the Nasdaq. Tellabs was founded in 1975 by a group of engineers brainstorming at a kitchen table, and grew from 20 employees with annual sales of \$312,000 to 2,600 employees with annual sales of \$494 million in 1994. Tellabs currently designs, manufactures, markets, and services voice and data transport and network access systems.

One of the principal reasons for Tellabs' remarkable success has been its ability to motivate its workforce. In simple terms, employee motivation refers to the employee's willingness to perform in his or her current job. Effective managers must be concerned with motivating employees toward common goals that will improve the success of the company. At Tellabs, a motivated workforce has enhanced the quality of its products and services.

Tellabs' manager of quality, Joe Taylor, explains what's behind the company's motivated workers: "In the past ten years we've found that to improve our quality we had to invest in our employees through training programs. Specifically, they have the tools and resources, now to make a difference within our processes in the factory and provide us with process improvements.

A motivated workforce contributes to increased quality in goods and services, greater efficiency in work processes, and improved customer services. Grace Pasiak said, "When I look at the improvements that Tellabs has made since implementing just-in-time and Total Quality commitment, by far the biggest gain has been exciting

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employees to do their best and giving them the opportunity to implement their own ideas."

At its core, motivation results from individual's desire to satisfy personal needs or goals. Every person has a set of needs or goals that influences his or her behaviour. Abraham Maslow postulated that needs can be placed in a hierarchy and that as each level in the hierarchy is satisfied, the person will concentrate on meeting needs at the next level.

Frederick Herzberg, conducted a study in the 1960s that concluded that factors pertaining to the work itself, such as achievement, recognition, and responsibility, tended to actually motivate employees. Other factors, such as supervision, and responsibility, tended to actually motivate employees. Other factors, such as supervision, pay, and company policies, might increase job satisfaction, but not necessarily employee motivation.

A third approach to motivation, developed by Douglas McGregor, involves two opposing theories about the nature of human behaviour. Theory X holds that some employees are lazy or unwilling to work unless motivated by negative factors such as threats and constant supervision. Theory Y holds that employees want to work and do a good job and are motivated best by incentives, responsibility and ownership of their work.

Maslow's hierarchy, Herzberg's factors, and McGregor's theories suggest that it's in a company's best interest to offer employees adequate rewards and to appeal to their pride of workmanship. At Tellabs, many employees say that the entrepreneurial atmosphere nurtured by managers makes them feel good about themselves. So Tellabs clearly takes Theory Y approach.

Effective managers help create a work environment that encourages, supports, and sustain improvement in work performance. At Tellabs, managers have implemented job rotation systems and a cadre of high performance teams to help enrich jobs and create an innovative working environment. Another innovation at Tellabs to ensure a high level of employee motivation is high performance teams.

Some companies may use a combination of motivation theories. In 1932, Tellabs presented its corporate goals, known as Strategic Initiatives, to its employees. The corporate mission statement emphasized the company's goals of quality, customer satisfaction, profits, and growth, its people, and its corporate integrity.

Tellabs' total compensation plan includes an Employee Stock Option Plan and retirement investments, such as 401 (k). Also, employees receive an annual bonus based on the company's productivity.

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At Tellabs, employee motivation and performance are enhanced by an atmosphere in which employees are openly told they are valued and trusted. Managers encourage calculated risk-taking and Innovation. They empower workers through cross-functional teams so that they can be able to identify problems and develop effective solutions.

Tellabs' Career Development System trains internal candidates for key management positions, while its competitive compensation plan shares the wealth, contributes to employee satisfaction, and encourages peak performance.

#### QUESTIONS

- (a) (i) What are two of the principal reasons for Tellabs' remarkable success?  
(4 marks)
- (ii) Identify what has enhanced motivation hence high performance at Tellabs, Inc.  
(10 marks)
- (b) It is said that "Effective managers must be concerned with employee motivation; briefly discuss the following theories of motivation: Maslow's hierarchy, Herzberg's factors,  
(16 marks)
- (c) Managers use various reward systems to motivate employees; discuss the four non-traditional reward systems that can be used to motivate employees?  
(10 marks)

**Total** **40 marks**

**SECTION B: Answer any three (3) questions from this section. (60 marks)**

**QUESTION 2**

- a) Explain what is Corporate Social Responsibility (5 marks)
- b) What is meant by Code of Ethics and give practical examples of this practice in the corporate world? (5 marks)
- c) Discuss about the Sarbanes-Oxley Reform Standards (10 marks)

**QUESTION 3**

- a) Explain why job analysis is relevant to Human Resources Management (HRM) (10 marks)
- b) Describe five problems associated with performance appraisal in HRM (12 marks)

**QUESTION 4**

- a) Describe the basic stages in the rational decision making (15 marks)
- b) With the aid of examples, show the difference between programmed and non-programmed decisions (5 marks)

**QUESTION 5**

- a) Discuss the components of diversity in the workplace. (10 marks)
- b) Discuss five strategies to manage diversity in the workplace (10 marks)