SUGGESTED SOLUTIONS
1. (a) The five activities involved in each of the four managerial functions are as follows:

   (i) Planning
   
   It entails the following key activities:
   
   - Setting objectives
   - Mobilizing the necessary resources
   - Carrying out situational analysis
   - Designing appropriate strategy to accomplish goals
   - Communicating strategy to key stakeholders
   - Making decisions / solving problems

   (b) Organizing

   It entails the following key activities
   
   - Identifying tasks to be performed
   - Dividing up tasks and assigning them to people
   - Allocating resources for the performance of the assigned tasks
   - Allocating authority and responsibility to the right individuals in the established hierarchy
   - Implementing / performing the assigned tasks

   (c) Directing

   It entails the following key activities:
   
   - Leading, motivating, inspiring team members so that their efforts and behaviour are geared towards the achievement of common goal(s)
   - Communicating vision, mission, goals and strategies to team members and other stakeholders
   - Issuing orders and directives to ensure compliance with expectations
   - Ensuring that rules, procedures, controls and policies are adhered to by team members
   - Motivating people to move towards the achievement of goals

   (d) Controlling

   It entails the following key activities:
   
   - Setting and agreeing on performance standards
2. (a) The ways in which a manager can motivate staff during the times of economic crisis are as follows:

- Designing more challenging jobs through job enrichment.
  - This will create a sense of achievement to employees

- Ensuring effective communication
  - This will spare employees from suspense, suspicion and negative attitudes towards management.

- Building effective work teams
  - The teams will promote team spirit and conducive work environment in which employees support each other.

- Conducting Training
  - This will promote self-confidence and esteem

- Conducting open performance Appraisal
  - Employees will get feedback on their weaknesses and strengths and will be assisted to design strategies to minimize or eliminate weaknesses and capitalize on strengths. The appraisal proves that managers do care about their employees.

- Allowing employees to participate in decision-making
  - This will make employees feel valued by management and experience a sense of esteem

- Giving employees more responsibility through employee empowerment.
  - This will allow employees to experience a sense of self-importance and self-esteem

- Showing keen interest in employees and their work.
  - This shows that management cares for employees and that their jobs are important and of great value to the organization.

- Designing objectives that are clear, reasonably stretching, measurable and achievable.
- Providing or promising equitable and fair rewards and incentives.

(b) Effective job design should contain both motivators and hygiene factors for the following reasons.

(i) Motivators are important because they bring about job satisfaction and positive motivation.
   - Ample motivators can therefore improve performance.

(ii) Hygiene factors are also critical because, even though they do not bring about motivation, they can reduce or prevent dissatisfaction. This can promote conducive and hospitable work environment.

(c) Cannot and – stick approach to motivation is inappropriate for the following reasons:

(i) It creates fear leading to negative reinforcement which in turn leads to extrinsic and unsustainable motivation.

(ii) It is based upon Theory x assumptions which promote authoritarian leadership/management style which can demotivate and frustrate employees who are motivated by Theory Y.

(iii) It is psychologically and physically exploitative as it rewards good performers and condemns poor performance instead of taking corrective measures to improve performance.

3. (a) (i) This statement means that effective leaders are those who are born with the necessary leadership traits and those who are not born with these traits cannot be trained to become effective leaders.

(ii) This statement is debatable as it attracts both advocates and critics.

Strengths of the statement
- Research at global level has confirmed close linkage between certain leadership traits and leadership success in particular circumstances. The Great Leaders such as Nelson Mandela, Mussolin, Stalin, Hilter, Mhatima Gandhi and several others displayed certain unique set of leadership traits that accounted for leadership success in their respective situations.

- Leadership success is to some degree, dependent upon the leader’s emotional stability, talents, intuition and so forth. These attributes are acquired at birth rather than through training.

- There is empirical evidence in Malawi and elsewhere of the existence of effective charismatic traditional leaders. The success of these leaders is not
influenced by training per se as charisma and inherited personality traits are acquired at birth.

Weaknesses of the statement

- What determines leadership success is the leadership situation and not necessarily the leader’s personality traits.
  - This is because the Great Leaders demonstrated different leadership traits and behaviours in different situations at different times.

- There is ample research evidence that some non-leaders and ineffective leaders are trainable to become more effective leaders regardless of whether they possess in-born leadership traits or not.
  - Examples include supervisors, managers and so forth.

- There is a long endless list of possible leadership traits that are believed to account for leadership success.

  - Unfortunately there is no generally agreed common set of leadership traits that can be used as a benchmark to identify leaders for appointment or to be “emulated” to ensure leadership success.

(b) Indeed there is no single leadership style that has general successful application. Leader’s appropriate style is determined by the following factors:

(i) Type of subordinates

Diligent and self-driven employees deserve democratic leadership style.

  - The opposite is true for lazy, uncommitted and extrinsically motivated employees who need to be forced to work through authoritarian leadership style.

(ii) Resource Availability

When resources are inadequate authoritarian leadership is appropriate to monitor and make the best use of the little resources available.

  - In situation of abundant resources a manager may apply basic democratic style.

(iii) Urgency, time pressure or backlog

This is a crisis situation hence authoritarian leadership style is appropriate for quick response or remedial action.
- A leader can afford to apply democratic leadership style where the situation is stable and targets can be achieved within the set timeframe.

(iv) Forces in the Leader.

- Leaders who possess most skills see no reason to consult team members to perform a particular task hence they tend to be authoritarian.

- Leaders who are wanting in core skills tend to be democratic in order to elicit employee assistance in the performance of a particular task.

(v) Corporate Culture

Task – oriented culture calls for authoritarian style as it is perceived to be appropriate and legitimate.

- The opposite is true for employee – oriented culture.

(vi) Size of the Team or Group

Authoritarian leadership style may be appropriate for a large group and the opposite is true for a small group.

(vii) Type of Task

Authoritarian leadership style is appropriate with regard to critical tasks that constitute the leaders key result area (KRA) as it may be risky to delegate these tasks.

- The opposite is true for peripheral tasks that are less important for goal achievement.

4. (a) Collective bargaining (CB) is defined as:

- The process whereby employer and employee representatives meet to negotiate over pay and other terms and conditions of employment.
  
  or

- Social process that continually turns disagreements into agreements in an orderly fashion.
  
  or

- Process of voluntary negotiation, undertaken between employers federations and / or management representatives and elected trade union representatives to agree the terms and conditions of employment.
Collective bargaining is important to business success for the following reasons:

- It is the most amicable way of resolving differences between management and employees.
  - CB can allow the two parties to reach consensus over their differences through discussion.

- Peace and Harmony
  - CB can lead to peaceful and harmonious atmosphere at workplace through procedural and substantive agreements.

- Industrial Democracy
  - CB allows employees to participate in and influence decision-making.

- Team Building
  - CB can promote team spirit whereby employees and management work in unison to achieve organizational goals.

- Ventilation Therapy
  - CB allows employees to air out their grievances and thus reducing tensions and conflicts at workplace.

- Effective Communication
  - CB is an important channel through which issues of common interest are exchanged between management and employees.
  - CB can allow employees to collectively exercise sanctions in the form of industrial action to support their claims.

- Fairness and Equity
  - CB can promote fair and equitable treatment of employees by improving terms and conditions of employment and redistribution of power within the employment relationship.

- Protection of the weak voiceless employees
  - Most shopfloor employees do not have the courage and opportunity to voice their concerns to management hence they usually suffer in silence.

- Improvement of socio-economic status the of employees
  - CB can allow trade union to negotiate with management for pay and other terms and conditions of employment.
Despite its usefulness, CB suffers from several weaknesses including the following:

- **It is time-consuming**
  The success of CB depends upon the ability and willingness of the parties to reach consensus and the demands long time and thus increasing its opportunity cost.

- **It may not put on agenda the concerns and interests of all employees because of conflict of interest.**

- **Toothless Mechanism**
  Some of the decisions and agreements reached through CB are vetoed by management prerogatives.

- **Concerns lose immediacy**
  Red tape prevents CB from responding to concerns and grievances with immediacy hence the concerns get out of hand by the time discussions are held.

- **Face-to-face confrontation between the parties to CB may compound tension and trigger strike action.**

- **CB may force management to raise wages regardless of its economic situation and thus leading to economic crisis for the organization.**

- **Management may be weakened under the weight of pressure and expectation to always agree with trade union interests.**

5 (a) **The two advantages and two disadvantages of Product Life Cycle (PLC) as a marketing tool are as follows:**

   (i) **Two advantages of PLC:**

   PLC is a useful tool for business planning and budgeting for several reasons including the following:

   - It projects the levels of investment required at different phases in the life of a particular product.
   - It projects sales volume and revenue to be realized at different phases in the life of particular products.
   - It projects the levels of competition associated with different products so that appropriate marketing strategies can be designed to counter the projected competition.
- It indicates beforehand when a product is likely to become obsolete so that plans can be designed to develop and launch new products.

- It can facilitate effective human resource planning as it is possible to match the volume of marketing activities with required staff levels to avoid excess labour and labour deficits.

(ii) **Two disadvantages of PLC:**

- Attempts to match empirical sales data to PLC curves have proved difficult and sometimes unattainable.
- The PLC curve depends upon the management of the product over time hence the curve might differ from product to product.
- It is not equally valid for different products.
- Its stages are difficult to define as they tend to overlap in practice.
- As a planning tool, PLC has sometime been unable to identify market opportunities so that they can be capitalized upon.

(b) **The four components of promotional mix are as follows:**

- **Advertising**
  Is the process of communicating persuasive information about product total market by means of written and spoken word as well as visual material.

- **Personal Selling**
  Is the face-to-face meeting between the buyer and the seller or sales representative.
  The sales representative takes advantage of this interface to communicate the benefits of products to customers.

- **Sales Promotion**
  Is a form of indirect advertising designed to stimulate sales by the use of incentives such as free samples, temporary price reductions, special discounts etc.

- **Publicity**
  Refers to news about the organization or its products reported in the press or other media without charge to the organization for instance, press release.

(c) **The factors that a sales representative should take into account to choose the most appropriate product distribution channel are as follows:-**

- **Past experience (practice or customer)**
  The product distribution channel that has proved to be efficient and effective in the
past may be the first choice in the future.

- Cost – effectiveness of available channels of production
  Cheaper product distribution channels may be chosen to minimize costs.
- The nature of products to be distributed
  Perishable products need faster transportation hence shorter channels may be preferred.
- Distance between the point of production and the point of sale
  Longer distance may be costly and difficult to meet lead times.
- Storage Facilities
  Distribution channels with storage facilities are more attractive than those without these facilities.
- Urgency
  The time the product is expected to get to the customer from the time an order was placed.

6. (a) The characteristics of the following methods of production are as follows:

(i) Job Production
- One-off product items are produced.
- Tailor made or customized products are produced.
  - Production will begin only after customer has placed an order.
- Employees are to be multi-skilled to respond to differing requirements of customers.
- General – purpose machinery to be procured to meet the specific needs of different customers.
- Stores are stocked in such a way to meet unpredictable customer demands.

(ii) Batch Production
- Standardized set of operations are carried out intermittently as each batch moves from one operation to the next.
- General purpose machinery and plant are grouped in categories of the same type.
- Employees are broadly specialized in specified production areas.
- Relatively short production runs are required.
Customer orders require a range of similar products at the same time.

(iii) Mass production
- Availability of highly specialized employees.
- Customers place order for huge quantity of products.
  - Specialized machines and equipment are set out in a line formation.
  - Long production runs for individual products are necessary.

(iv) Process Production
- There is need for long production process divided into interdependent stages whereby the output of one stage is the input of the next stage.
- Continuous production process is necessary.
- There is a guarantee of continuous supply of raw materials to facilitate the continuous production process.
- The firm has the capacity for large labour force to man this continuous and sophisticated production.
- Availability of highly specialized and sophisticated machines are set out in a line formation.
- Customers place an order for semi-finished products to be an input in their own production process.

(a) The factors that justify training are as follows:
- **Staff Motivation**
  Training enhances employee self-confidence and esteem and improves employee career progression.
- **Flexibility**
  Training permits employee functional flexibility through multi-skilling.
- **Succession Planning**
  Training can groom employees for future managerial responsibilities by equipping them with the necessary competencies.
- **Adoption of New Technology**
  Training can permit an organization to embrace new technology in order to improve the quality of customer service.
- **Facilitates Corporate Change**
  Training equips employees with the competencies to cope with the demands of Corporate Change.
• Improved Performance
  Training can improve employee efficiency and effectiveness.

(b) Managers should identify training needs for the following reasons:

• Relevance of Training
  Training Needs Assessment (TNA) ensures that only those employees with
  skills gaps should be engaged in training.

• Identification of the right Resource Persons
  TNA enables managers to identify the resource persons who can competently
  implement a particular training programme.

• Appropriate Training Methodology
  The design of appropriate training methods is possible when training gaps
  have been identified through TNA.

• Effective Training Evaluation
  It is possible to evaluate the degree to which a course has achieved its
  objective by ascertaining whether or not the training gap is closed.

• Planning for Training
  TNA can allow trainers to workout training budget for the mobilization of
  training resources.

(c) A manager can help employees to learn informally in the following ways:

• Mentoring
• Coaching and Counselling
• Shadowing
• Sitting – by – Nellie
• Job rotation
• Observing and emulating personal models
• Developing a Learning Organization (LO)

8 (a) Culture is defined as follows:

• The way we do things around here, or
• The way of life for particular group of people, or
• The expectations that people have of each other, or
• Shared meaning, shared understanding and shared sense – making.

(b) The defining features of each of the following forms of organization culture are
as follows:-
(i) Role Culture
- Is associated with bureaucratic or Greek Temple organization structure
- Clear job roles
- Job roles are more important than the needs of, role-holders
- Expert power is dominant as it is critical for one's survival and success
- Is less adaptable culture
- Suffers the demerits of bureaucracy

(ii) Power Culture
- Is associated with web organization structure
- Control or power emanates from the centre (spider)
- It is political and entrepreneurial culture
- Resource power and personal power are dominant
- Is automatic culture and may be effective during crisis
- Promotes charismatic leadership

(iii) Task Culture
- Emphasizes completion of tasks according to established performance standards
- Is associated with net organization structure
- Relevant expertise and contributions by individuals are highly valued
- Promotes unification and collaboration amongst members
- Tasks are viewed as more important than the individual performing them.

(iv) Person Culture
- Is associated with cluster or galaxy organization structure.
- Is usually found amongst professionals such as lawyers, teachers, accountants, medical doctors etc.
- The professionals are loosely connected sharing common facilities but pursuing different goals separately.
- Position power is not important as the member operate in their own right.
- The professional at the centre of the group (galaxy) possesses expertise power that is critical for the growth and success of the group.
- The culture is task-oriented as it mainly serves the needs of the professional at the centre of the group.

(c) The aspects of the organization that illustrate an organization’s form of culture are as follows:
- Organization Mission Statement
  Reflects the philosophies, beliefs and values of the founders of the organization and existing senior management
• Policy Statement
  Portrays the core corporate values that dictate what is accepted and unacceptable, what is ethical and unethical, what is right and what is wrong.

• Organization Structure
  Particular form of organization structure will always pair up with a particular type of organization culture.

• Organization Rituals
  They reflect deep-rooted beliefs, custom, artifacts and tradition of an organization.

• Organization Logos
  Portray the values, norms, philosophies and policies of an organization.

• Procedures and Rules
  Reflects the artifacts, beliefs, values and policies of an organization.

END