THE OPEN UNIVERSITY OF SRI LANKA
FACULTY OF MANAGEMENT STUDIES

BACHELOR OF MANAGEMENT STUDIES HONOURS
OSU3571 - PRINCIPLES OF MANAGEMENT
FINAL EXAMINATION – 2024 / 2025
DURATION – THREE (03) HOURS

Date: 28th June 2025 *Time: 9. 30 AM - 12.30 PM*

INSTRUCTIONS:

- This paper consists of five (05) questions. **Question 01 is compulsory to answer**. **Select any three (03) questions out of the remaining four (04) questions.** Altogether, answer **only** four (04) questions.
- All questions carry equal marks (25 marks per question).
- Illegible handwriting will be penalized.

Question 01

i) "Activities in a society are conducted through organizations. Therefore, organizations spread throughout society are an essential feature of public life." Explain your stance on this statement by emphasizing the role of business organizations in society. (05 Marks)

ii) Human Resource Manager of the 'Wings' garment factory, Ms. Rasika, is well-liked by the workers because she frequently helps them resolve conflicts and negotiates on their behalf with upper management. Identify and describe two managerial roles (as per Mintzberg's framework) she performs and explain their significance for organizational success.

(05 Marks)

iii) A company introduces a new performance appraisal system where employees are given autonomy to choose project roles and propose initiatives. Using McGregor's Theory X and Theory Y, assess the type of assumptions the company is making about its employees.

(05 Marks)

iv) The owner of a local 05-star-grade hotel plans to expand its operations to a foreign country. Explain 02 planning techniques that can be used by the hotel management at this initiative. (05 Marks)

v) A top manager of a tech company decides to restructure the company in order to adapt to new technological trends and customer needs. Discuss 02 suitable contemporary management approaches that will be helpful for the manager in implementing this change successfully. (05 Marks)

Question 02

Leadership is considered a key element in achieving organizational goals. Critically evaluate at least three (03) different leadership theories emphasizing their main assumptions, strengths, and limitations. Also, evaluate the practical relevance of leadership theories in today's organizational context. (25 Marks)

Question 03

Assume that, as a recently passed-out graduate, you have been selected as an executive trainee assisting the Human Resource Manager of a medium-scale micro finance company in Colombo. The company is facing major HR challenges, including high employee turnover, low motivation, and a shortage of skilled recruits.

The current situation is as follows:

- Employees complain about a lack of recognition and unclear performance evaluation.
- Training is irregular and often limited to technical skills only.
- There is no structured plan for career development or incentive schemes.
- Managers are unsure how to effectively motivate staff and improve their performance.

Task:

The HR Manager has asked you to prepare a proposal to address these to retain the existing workforce and improve motivation levels across departments. Develop the proposal including the following aspects in your report:

- How to implement effective training and development programs
- How effective performance appraisal can be used to support retention and motivation
- How effective communication can be used to retain and motivate employees
- State three (03) specific motivational programmes or practices you would suggest. Support your answer with relevant motivation theory/theories.

(25 Marks)

Question 04

i) Briefly explain the core principles of Scientific Management Theory. Discuss how you would practically apply these principles at a Sri Lankan garment factory to improve productivity while avoiding the criticisms associated with this approach. (10 marks)

ii) "Planning and controlling are considered two sides of the same coin in effective management". Explain this statement by discussing the relationship between planning and controlling and how each function supports the other in achieving organizational objectives. (15 Marks)

Question 05

i) "Organizations operate as open systems". Explain this statement with examples. (10 Marks)

ii) "Organizational culture significantly influences employee behavior, performance, and how a company responds to external challenges". Discuss how an organization's culture can help or hinder its ability to adapt to crises such as the COVID-19 pandemic, major technological disruptions, geo-political conflicts and trade wars etc. Use appropriate real-world examples or recent events to support your answer. (15 Marks)

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