

04 JUN 2010  
Eastern University, Sri Lanka.

**EASTERN UNIVERSITY, SRI LANKA**  
**FACULTY OF COMMERCE AND MANAGEMENT**  
**FIRST YEAR – FIRST SEMESTER EXAMINATION IN BUSINESS**  
**ADMINISTRATION/COMMERCE 2008/2009**  
**(APRIL/MAY 2010)**  
**(PROPER/REPEAT/RE-REPEAT)**

**MGT 1024/MGT 1124 – PRINCIPLES OF MANAGEMENT**

Answer All Questions

Time: 3 Hours

**(1) Management Promotes Efficiency and Effectiveness at Marriott**

The Marriott Corporation started out as a root-beer stand in Washington, D.C., in the hot summer of 1927. When business fell off that winter, the founder, J. Willard Marriott, responded with a plan to convert the root-beer stand into a "Hot Shoppe," which would serve chili con carne and tamales based on recipes from the Mexican embassy. That plan was so successful that he expanded to other locations. Soon there were Hot Shoppes all over the Washington area. In 1937, the firm again responded to its environment by entering the airline catering business with an Eastern Airlines contract. Success there led to further expansion of catering services.

Not until 1957 did Marriott develop plans to link its success in restaurants and catering to hotels. In 1989, the Marriott Corporation, is the son of the founder. He is a perfectionist when it comes to cleanliness and attractiveness. Marriott employees must follow a carefully defined, 54-step procedure in making up a room, doing each step in proper sequence. Bill Marriott also believes in keeping in touch with operations and personnel. He travels over 200,000 miles each year to visit all parts of his firm as well as his competitors' businesses.

J.W. Marriott, Jr., the current chairman of Marriot Corporation, is the son of the founder. He is a perfectionist when it comes to cleanliness and attractiveness. Marriott employees must follow a carefully defined, 54 – step procedure in making up a room, doing each step in proper sequence. Bill Marriott also believes in keeping in touch with operations and personnel. He travels over 200,000 miles each year to visit all parts of his firm as well as his competitors' businesses.

The Marriot Corporation does over \$6 billion in sales. It is organized into three primary areas: lodging, contract services, and restaurants. Lodging accounts for about 40 percent of sales but about half of profits.

Marriott's lodging operation includes nearly 103,000 guest rooms in over 360 hotels and resorts located throughout the United States, Bermuda, Canada, Ventral America, Europe, and the Middle East. Those units are organized by location and by the type of market served. For instance, the Fairfield Inn group serves the economy or lower end of the market; Court-yard by Marriott serves the middle of the market; and Residence Inn and Marriott Suites serve the high end of the market.

The contract services part of the firm consists of several groups. One is the Marriott Business Food and Services group, with over 1,000 accounts providing employee cafeterias, executive dining rooms, and conference centers. Another is the airline catering service group, Marriott In Flight Services. The Host International, Inc., group provides airport and nonairport services and shops. The Marriott Health Care Services group serves about 400 healthcare accounts in hospitals, retirement centers, and nursing homes. The Marriott Education Services group serves nearly 600 college and secondary education clients in student and faculty dining facilities, stadiums, and sports arenas.

Restaurant operations include several groups, too. Hot Shoppes currently exists as 16 cafeteria and service restaurants in the Washington, D.C., area. Bob's Bit Boy restaurants has over 20 units. About 150 Howard Johnson units are also operated by Marriott. The Roy Rogers chain operates or franchises over 550 restaurants. And Travel Plazas by Marriott operates over 100 restaurants, gift shops, and related facilities on numerous highway systems.

The Marriott Corporation, as a major aspect of its control function, monitors its environment closely. It has been highly effective in responding to and taking advantage of the changing and expanding role of women in business. Marriott is considered to be one of the most effective organizations in the United States in what is known as competitive intelligence or the art of legally spying on competitors. For instance, before launching its Fairfield Inn chain, Marriott sent a team of six employees around the country for six months. The team stayed in every inexpensive hotel chain in existence, gathering information about such things as the quality of room service provided, the brands of soaps and towels used, and the construction and soundproofing of walls. Using that information, Marriott's Fairfield Inn was able to become the number 1 chain in the economy market in its first year of operation.

The Marriott family owns 21 percent of the stock of the firm and seems destined to control the company for some time. Bill Marriott is the CEO; his mother is a vice president and director; and his brother is vice chairman. In addition, his sons and a son-in-law hold managerial positions in the firm, having worked their ways up from menial jobs that helped them learn the business. This home-grown approach to staffing in management enables the firm to respond quickly to opportunities but also can discourage nonfamily members in their quests for top spots in the firm.

### Questions

- What managerial skills are used by managers in the Marriott Corporation? Cite specific examples. (06 Marks)
- Which of the different parts of the management process can you identify? Cite specific examples. (06 Marks)
- How well has Marriott monitored its environment? (04 Marks)
- How essential is that activity to an organization? Why? (04 Marks)
- What is your reaction to the home-grown approach to developing managers? (04 Marks)

**(Total – 24 Marks)**

- (2) a) Explain the principle functions of Management. Would you attach different levels of importance to these functions of various levels of management? (08 Marks)
- b) Discuss the importance of management in the present day world. (06 Marks)
- c) What does a manager really do? (04 Marks)

**(Total 18 Marks)**

- (3) a) Define organizational environment and briefly explain the nature of organizational environment. (04 Marks)
- b) Explain how environment affect organization. (06 Marks)
- c) Describe how organizations respond to their environments (08 Marks)

**(Total 18 Marks)**

- (4) a) "Goals are important because they allow the organization to explain its mission in philosophical terms".

Based on the above statement identify and briefly explain the reasons why objectives are important to organizations (08 Marks)

- b) Describe the planning process in an organization with appropriate examples. (06 Marks)
- c) Identify and briefly explain the factors affecting organizational structure (06 Marks)

**(Total 20 Marks)**

- (5) a) Critically explain the Maslow's hierarchy of needs theory and Herz berg's motivators and hygiene factors. (08 Marks)
- b) Define decision making and explain its various steps in rational decision making. (06 Marks)
- c) Explain the merits and demerits of group decision making. (06 Marks)

**(Total - 20 Marks)**