



UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL

FINAL EXAMINATION
MARCH 2026 SEMESTER

COURSE CODE : EAB11403
COURSE TITLE : PRINCIPLES OF MANAGEMENT
PROGRAMME NAME : BACHELOR OF ACCOUNTING

DATE : 22 JUNE 2026
TIME : 2:00PM – 5:00PM
DURATION : 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. This question paper is printed on both sides of the paper.
3. This question paper consist of TWO sections.
4. Answer ALL questions for Section A.
5. Section B consist of four questions. Answer THREE (3) questions only.
6. Please write your answer on the answer booklet provided.
7. Please answer all questions in English only.
8. Please answer MCQ/EMQ questions using OMR sheet. ☐ *Tick if applicable*
9. Refer to the attached Formula/ Appendies. ☐ *Tick if applicable*

THERE ARE 11 PAGES OF QUESTIONS EXCLUDING THIS PAGE

SECTION A (Total: 40 marks)

Answer ALL questions.

Please use the answer booklet provided.

Question 1

Explain the four main functions of management (POLC) in detail. Discuss how each function contributes to effective organizational performance, and provide examples to support your answer.

(10 marks)

Question 2

Discuss the benefits of workforce diversity. Provide a brief example or insight for each benefit.

(10 marks)

Question 3

Differentiate between **surface-level** and **deep-level** diversity in organizational management. Provide **two examples** for each and discuss briefly how each type impacts team performance.

(10 marks)

Question 4

Explain the different levels of management in an organization. Discuss the roles, responsibilities, and importance of each level in achieving organizational goals. Provide suitable examples to support your answer.

(10 marks)

CASE STUDY: ADIDAS – MANAGING ORGANIZATIONAL CHANGE

Adidas is one of the world's leading sportswear brands, competing globally with major rivals such as Nike and Puma. Founded in 1949, Adidas built a strong reputation for quality athletic footwear and apparel; however, by the late 20th and early 21st centuries, the company faced significant challenges, including declining market share, slow innovation, and an organizational structure that struggled to respond quickly to changing consumer trends. These issues highlighted the urgent need for organizational change to restore competitiveness and sustain long-term growth.

To address these challenges, Adidas initiated a series of strategic and organizational transformations aimed at improving agility, innovation, and customer focus. One of the most significant changes was the restructuring of its organization to become more market-oriented, shifting from a traditional hierarchical structure to a more flexible and responsive model. The company introduced clearer divisions based on product categories and markets, enabling faster decision-making and better alignment with consumer demands. This restructuring also helped reduce bureaucracy and improved coordination across departments.

Leadership played a critical role in driving change, particularly under executives such as Herbert Hainer and later Kasper Rørsted, who emphasized performance, accountability, and speed. They implemented strategic initiatives such as "Creating the New" and digital transformation programs to modernize operations and strengthen brand positioning. These initiatives focused on key cities, faster product cycles, and stronger connections with consumers, allowing Adidas to compete more effectively in the fast-paced sportswear industry.

A major component of Adidas's organizational change was its focus on innovation and digitalization. The company invested in advanced manufacturing technologies, data analytics, and e-commerce platforms to enhance efficiency and customer engagement. By embracing digital tools, Adidas improved supply chain responsiveness and personalized marketing efforts, enabling it to meet evolving consumer expectations. At the same time, the company strengthened its design and product development capabilities to deliver innovative and trend-driven products.

Cultural transformation was another essential aspect of the change process. Adidas worked to build a more dynamic, collaborative, and performance-driven culture that encouraged creativity and responsiveness. Employees were empowered to take initiative and adapt quickly to market changes, while leadership promoted openness, diversity, and continuous learning. This cultural shift supported the company's strategic objectives and ensured that organizational change was sustainable over the long term.

Despite these efforts, Adidas faced challenges in managing change, including resistance from employees, the complexity of global operations, and intense competition from established rivals. Implementing change across a large multinational organization required careful communication, training, and alignment of goals. However, through consistent leadership and a clear strategic vision, Adidas was able to overcome many of these obstacles.

As a result of its organizational change initiatives, Adidas improved its market position, increased sales growth, and strengthened its brand image globally. The company became more agile and innovative, enabling it to respond effectively to industry trends and consumer demands. While challenges remain, Adidas's experience demonstrates how effective change management can revitalize an organization and enhance its competitive advantage.

- (a) Why did Adidas need organizational change? (4 marks)
- (b) What role did leadership play in Adidas's transformation? (4 marks)
- (c) What structural changes were implemented at Adidas? (4 marks)
- (d) How did Adidas use innovation and digitalization in its change process? (4 marks)
- (e) What lessons can organizations learn from Adidas's change management? (4 marks)

Question 2

CASE STUDY: PROCTER & GAMBLE (P&G) – COMPREHENSIVE MANAGEMENT

Procter & Gamble (P&G) is widely recognized as one of the most successful consumer goods companies in the world, known for its strong management practices, global presence, and portfolio of trusted brands such as Tide, Pampers, and Gillette. Founded in 1837, P&G has grown into a multinational corporation operating in more than 180 countries, and its long-term success can be largely attributed to its comprehensive approach to management, which integrates strategic planning, organizational structure, leadership, innovation, and performance control into a cohesive system. This holistic management approach allows P&G to maintain competitiveness in a highly dynamic and competitive global market.

A key element of P&G's comprehensive management is its strong strategic planning process, which emphasizes long-term growth through innovation and consumer focus. The company invests heavily in research and development to understand consumer needs and create products that deliver superior value. Its strategy revolves around building strong brands, maintaining product quality, and continuously improving efficiency. P&G also adopts a "consumer is boss" philosophy, ensuring that all business decisions are aligned with customer preferences and market trends. This strategic clarity enables the company to prioritize high-performing brands and divest underperforming ones, thereby optimizing its portfolio.

Organizationally, P&G employs a matrix structure that balances global scale with local responsiveness. The company is structured into global business units, market development organizations, and shared service functions, allowing it to operate efficiently while adapting to regional market conditions. This structure supports coordination across different functions such as marketing, supply chain, and product development, ensuring that strategies are effectively implemented across markets. Additionally, P&G promotes internal talent development through its well-known "promote from within" policy, which strengthens leadership continuity and organizational stability.

Leadership plays a critical role in P&G's management system, with a strong emphasis on accountability, discipline, and values-based management. Leaders at P&G are expected to demonstrate integrity, deliver results, and develop future leaders. The company fosters a culture of ownership, where employees are encouraged to take responsibility for business outcomes and continuously improve performance. This leadership philosophy ensures alignment between individual contributions and organizational goals, while also promoting a high-performance culture.

Innovation is another cornerstone of P&G's comprehensive management approach. The company not only invests in internal R&D but also embraces open innovation through initiatives like "Connect + Develop," which collaborates with external partners to accelerate product development. This approach allows P&G to leverage external expertise and bring innovative products to market more efficiently. By combining internal capabilities with external collaboration, the company enhances its ability to respond to changing consumer demands.

In terms of control and performance management, P&G uses rigorous measurement systems to track performance across all levels of the organization. Key performance indicators (KPIs), financial targets, and operational benchmarks are closely monitored to ensure that strategic objectives are achieved. The company emphasizes data-driven decision-making and continuous improvement, allowing it to quickly identify issues and implement corrective actions. This strong control system ensures accountability and supports long-term sustainability.

Despite its success, P&G faces ongoing challenges such as intense global competition, changing consumer preferences, and pressure to innovate rapidly while managing costs. The company must continuously adapt its strategies and operations to remain competitive in a fast-evolving market. However, its comprehensive management approach provides a strong foundation for addressing these challenges and sustaining growth.

- (a) What is meant by comprehensive management in the context of P&G? (4 marks)
- (b) How does P&G's organizational structure support its global operations? (4 marks)
- (c) What role does innovation play in P&G's success? (4 marks)
- (d) How does P&G ensure effective performance management? (4 marks)
- (e) What challenges does P&G face, and how can it address them? (4 marks)

Question 3

CASE STUDY: XEROX – LEADERSHIP AND ORGANIZATIONAL CULTURE

Xerox, once a dominant leader in the global document management and photocopying industry, provides a compelling case study of how leadership and organizational culture can significantly influence corporate success and recovery. Founded in 1906, Xerox rose to prominence through innovation, particularly with the introduction of the first plain-paper copier, which revolutionized office work worldwide. However, by the late 20th century, the company began to face serious challenges, including increased competition, declining revenues, and internal inefficiencies. These issues were compounded by a rigid organizational culture that resisted change, lacked accountability, and operated in silos, ultimately leading Xerox into a period of financial crisis in the late 1990s.

The turning point for Xerox came with the appointment of Anne Mulcahy as CEO in 2001, marking a critical shift in leadership approach and organizational direction. Unlike her predecessors, Mulcahy focused not only on financial restructuring but also on transforming the company's culture. She emphasized open communication, ethical leadership, and employee engagement, recognizing that long-term success required a fundamental change in how people within the organization thought and behaved. Her leadership style was characterized by transparency, humility, and a willingness to listen, which helped rebuild trust among employees, customers, and investors.

A key aspect of Xerox's transformation was reshaping its organizational culture from a bureaucratic and hierarchical structure to a more collaborative and performance-driven environment. Mulcahy worked to break down silos within the company, encouraging cross-functional teamwork and accountability at all levels. She also reinforced a culture of customer focus and innovation, ensuring that employees understood the importance of delivering value and adapting to changing market needs. This cultural shift was supported by clear strategic priorities, including cost reduction, debt management, and investment in core business areas.

Leadership at Xerox also placed strong emphasis on ethical behavior and corporate governance, particularly after the company faced accounting scandals that damaged its reputation. Mulcahy and her leadership team implemented stricter compliance measures and promoted integrity as a core organizational value. This not only helped restore credibility but also strengthened internal discipline and decision-making processes. Employees were encouraged to take ownership of their roles and align their actions with the company's long-term vision.

Despite the challenges, Xerox gradually returned to stability and profitability, demonstrating the effectiveness of its leadership-driven cultural transformation. The company regained investor confidence, improved operational efficiency, and repositioned itself in the competitive market. While it continued to face external pressures from digital transformation and evolving customer needs, Xerox's experience highlighted the importance of adaptive leadership and a strong organizational culture in navigating complex business environments.

- (a) What were the main problems faced by Xerox before its transformation?
(4 marks)
- (b) How did Anne Mulcahy contribute to Xerox's turnaround?
(4 marks)
- (c) What changes were made to Xerox's organizational culture?
(4 marks)
- (d) Why is leadership important in shaping organizational culture?
(4 marks)
- (e) What lessons can other organizations learn from the Xerox case?
(4 marks)

Question 4

CASE STUDY: BRANSON AIRPORT – STRATEGIC PLANNING AND IMPLEMENTATION

Branson Airport represents a distinctive and ambitious example of strategic planning and implementation in the aviation industry, as it emerged as the first privately financed and operated commercial airport in the United States. Developed to serve the growing tourism demands of Branson, Missouri, the airport addressed a critical accessibility issue, as the city attracted millions of visitors annually but relied heavily on long-distance road travel. Recognizing this gap, investor Steve Peet envisioned an airport that could directly connect Branson to major domestic markets, thereby enhancing tourism growth and regional economic development.

This vision became the foundation of a comprehensive strategic planning process that involved defining clear objectives such as improving accessibility, ensuring financial sustainability without government funding, and positioning the airport as a convenient, customer-focused gateway for leisure travelers. The planning phase also included an environmental analysis that assessed external opportunities, such as increasing tourist demand, and threats like competition from nearby airports and volatility in the airline industry. Internally, the project benefited from strong private investment backing but faced weaknesses, including limited operational experience and high financial risk.

Based on this analysis, Branson Airport adopted a focused business strategy centered on tourism-driven demand, forming partnerships with airlines to establish viable routes and differentiating itself through efficiency and customer experience. Its financial strategy relied heavily on private equity and bond financing, with revenue generated from both aeronautical and non-aeronautical sources. At the same time, its marketing strategy emphasized promoting Branson as a premier entertainment destination, leveraging collaborations with local tourism stakeholders to attract travelers.

The implementation phase required complex coordination across multiple areas, including infrastructure development such as runway and terminal construction, regulatory compliance, and integration with local transportation systems. Effective stakeholder management was critical, involving investors, contractors, airline partners, and local authorities. Leadership played a vital role in aligning organizational efforts, managing risks, and ensuring smooth execution, particularly under conditions of uncertainty.

Despite careful planning, the airport faced significant challenges during implementation. These included difficulties in attracting airlines to a new and unproven market, managing substantial financial risks without public subsidies, coping with fluctuating tourism demand, and handling contractual and operational complexities. Such challenges required adaptive decision-making and continuous strategic adjustments.

The opening of Branson Airport in 2009 marked a significant milestone, contributing to increased tourist arrivals and stimulating local economic activity. It demonstrated the potential viability of a privately operated airport model while also highlighting the importance of flexibility, strong leadership, and effective stakeholder coordination.

- (a) What were the key strategic reasons for building Branson Airport?
(4 marks)
- (b) What makes Branson Airport unique compared to other airports?
(4 marks)
- (c) What were the major challenges during implementation?
(4 marks)
- (d) How did strategic planning contribute to the airport's development?
(4 marks)
- (e) What management skills are required to run Branson Airport successfully?
(4 marks)

END OF EXAMINATION PAPER