

Management control in leo's four plex essay



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Leo's Four Plex Theater Problems: 1. Lack of motivation: * Discrepancies in the cash counts of the ticket booths – the cause behind this situation is the lack of motivation that leads to employee theft and neglecting of duties. * Failure of the cash collection from known customers – Employees are not motivated enough to perform their jobs sincerely and also do not know why they should collect cash, though there is no reason for personal limitation. * Unethical practice at ticket collection – Bill Reilly, the manager, gives out a significant number of free tickets with his signature on them.

Due to lack of motivation among employees, this fact has created a scope to do unethical practice and thus ticket collectors might be giving free passages to friends/known customers. 2. Lack of direction: * Taking advantage of family relationship – Being a relative of the Theater's owner, manager is not maintaining any organization hierarchy and exploiting his power by giving free tickets to friends. This is because of lack of direction from the owner – Leo Antonelli. Discrepancies revealed in test count – The attendants at the turnstile are not checking the tickets carefully enough since tickets with wrong dates and colors go into the wrong stub boxes. Inadequate direction on job responsibility leads them to not understanding the value of counter check. Solutions: 1. Owner of the Theater should give proper direction to manager to set specific objectives to overcome low profit situation. Thus, in turn manager would be able to give right directions to employees to achieve organizational objective. 2.

Establishment of code of conducts within the organization may help each employee to understand what is expected from them within specific rule and regulation. Thus it may solve unethical behavior at the work place. 3.

Different schemes of group award or individual incentive may motivate employees to understand their contribution to the Theater and also encourage them to work sincerely. 4. Finally, Leo's Four-Plex Theater needs strong leadership approach from Bill Reilly. By not giving any free pass, he should set a model of integrity among other employees to encourage ethical behavior to revive the financial situation of the Theater. Wong's Pharmacy Problems: 1. Personal Limitation: Wong's Pharmacy is run by family members of the owner who are trust worthy and hard workers. But still the performance of the store is declining considering recent competition. Here, lack of specific training and knowledge has worked as an obstacle to the better performance. Since all workers are appointed based on family background to ensure ethical behavior, there is a big gap between the expected outcome of the business and required specialization to achieve that outcome. 2.

Lack of Motivation: Since workers are not from diversified background and have gained their job experience by working within a small drugstore from the very beginning, this scenario has worked as a barrier for them to motivate themselves to face the challenge from a large drugstore chain.

Solutions: 1. The owner should bring changes in the management system by appointing employees with relevant expertise rather than only family members. This may require dismissal of some existing employees which is a big challenge for the owners to take a move against 30 years of traditional practice – a dilemma between moral and business. . Since this business is not making profit, management should include cost-cartel strategy under financial objectives, as a part of which human resource management may be

streamlined focusing on only efficiency. 3. To get the best result from the existing hardworking employees, management has to organize some training to upgrade their knowledge and skill in business and also to motivate them with self competences and confidence to face new market challenge. 4. By setting specific organizational objections, the owner needs to renovate his small business to compete with a big chain store.