**9-48**

In early 20X1, United Communications, a U.S.-based international telephone communications company, purchased the controlling interest in Bucharest Telecom, Ltd. (BTL) in Romania. A key productivity measure monitored by United is the number of customer telephone lines per employee. Consider the following data for United:

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| **20X1 without BTL** |

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| **20X1 with BTL** |

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| **20X0** |

Customer lines 15,054,000 19,994,000 14,615,000

Employees 74,520 114,590 72,350

Lines per employee 202 174 202

1. What are United’s 20X0 productivity and 20X1 productivity without BTL?

2. What are BTL’s 20X1 productivity and United’s 20X1 productivity with BTL?

3. What difficulties do you foresee if United brings BTL’s productivity in line?