

Chapter 10
Management of Change

Chapter 10 – Change – Employee Empowerment

2012 Q6 (A)

Discuss the benefits and risks of empowering employees within a business.
(20 marks)

MS: 4 @ 5 marks (2+3)

A benefit would be improved **decision-making** and **control is in the hands of employees** who use their **greater skills** and knowledge for the benefit of the business.

Decisions can be made **quicker** and without having to **constantly refer** to a **superior** for their input, **disrupting their work** and slowing down decisions.

A benefit would be employees becoming **more responsive to the needs of customers** (improve their **skills/initiative**) as they come up with **ideas to solve issues** with customers, which should lead to **more satisfied customers**.

This will lead to a more **personal touch** as customers feel more **cared for** and that **staff are interested in their case personally** rather than providing a stock answer to all customers.

Other: Employees more motivated/ job satisfaction/ valued/ loyal. Employees are better prepared for promotion/better trained.

If empowerment is introduced **without adequate training** for employees, it increases the risks of **mistakes being made**.

Staff may make **errors without management knowing about them**, which could **damage the reputation** of the business with customers.

A risk of empowering some employees e.g. part time students, may be that they would be **unhappy with the extra responsibility** and/or **lack of training** and their **stress levels may increase**.

This can cause de-motivation among employees as they feel under **too much pressure** in their position.

Other: The lack of control and day-to-day supervision may encourage some empowered employees to take unnecessary risks, leading to bad decision making.

Chapter 10 – Change – Teamwork

2015 Q6 – Short

Forming, storming, norming and performing are stages in team development. Outline your understanding of storming and norming.

MS: 6m(3+3)+ 4m(2+2)

Storming: Members try to **establish their positions on the team**, leading to **tension** and **conflict** as the members **ideas/actions/views** are challenged.

Norming: **Ground Rules** and **procedures** are **agreed** and there is an increased focus on the task at hand as team **members trust each other** and the group's way of working together emerge.

2011 Q5 (A)

Outline the benefits of teamwork for the employees in a business. (15 marks)

MS: 3 @ 5 marks (2+ 3)

Employees Enjoy Working

Employees experience **greater job satisfaction** as **all members' efforts** are taken into account.

They are better motivated as participation in teams and the **interdependence** improves their **productivity** and **quality** of output. It benefits employees as it helps to **satisfy the social needs** of employees as laid out by **Maslow's Hierarchy of Needs**.

Better Communicational Skills for Employees

Employee's **communications skills** and **interpersonal skills** improve as they are **working in a group** and dealing with **different personalities**. It benefits employees as **developing effective communication skills** will help prepare them for **leadership roles** within the business in the future.

Better/Easier Decision Making

When working in **isolation** employees might find it **difficult to take tough decisions** e.g. one that conflicts with management directives. It benefits the employees as with **the mutual support** and **protection of a team**, tougher decisions are easier for employees to make.

Chapter 10 – Change – Total Quality Management (TQM)
2009 Q6 (B)

Discuss the benefits of Total Quality Management 'TQM' to a manufacturing business. (20 marks)

MS: 4 @ 5 Marks (2+3) benefit must reference to a manufacturing business

The principles of Total Quality Management are (1) Focus on the Customer (2) Employee Empowerment (3) Teamwork (4) Continuous Improvement and all TQM answers should be based around these

1. The **focus is on the customer**, so a manufacturing business will conduct **market research** in to what the customer requires from their product.

The benefit is that **sales will increase as consumer satisfaction** is improved. This will also prevent a firm producing lots of an **unwanted goods** as they will have checked what the consumer wants before production starts.

2. Employees should benefit from greater **job satisfaction** as they will be **empowered**, allowing them to **make decisions**, increasing **trust** from management and allowing them satisfy **esteem needs (Maslow)**. The benefit for the manufacturing business is that there would be more **energized and productive staff**, and **lower staff turnover**.

3. They also work in **teams**, increasing **productivity** and **satisfaction**. The benefit for the manufacturing business is that there would be more **energized and productive staff**, and **lower staff turnover**.

4. **Continuous Improvement** means the business **tries each time to do better than the previous time** when manufacturing products, improving the quality of the finished good.

A business using TQM will strive for '**zero defects**' in production.

The benefit is **less products will be returned for a refund, reducing costs**.

Other: Meet Legal Requirements (continuous improvement increases standards / Sale of Goods and Supply of Services Act 1980.)

2016 Q5 (C)

(i) Explain the term quality assurance as part of Total Quality Management (TQM).

(ii) Describe the benefits to a business of achieving a recognised quality mark standard. (20m)

MS: (i) 5m (2+3) (ii) 3 x 5m (2+3)

(i) Quality Assurance is a **system** that refers to the **maintenance of a desired level of quality in a service or a product for customers**, by means of **attention to every stage of the process of delivery or production** of a product.

(ii)

Increase Customer Loyalty

Obtaining a quality mark e.g. Q mark shows **existing and potential customers** that your products can be **trusted** and that they meet the **industry standards** required, which should help build **brand loyalty** to your products.

Used In The Business's Marketing

A Q mark could be a source of **competitive advantage** for a business against **competitors**. The business could use it in their **advertising campaigns** and it could become a **USP** if no other businesses in the industry have obtained one, to help increase sales.

Charge a Higher Price

A Q Mark is a sign of **quality**, so with **higher standards of products**, the business may be able to **increase their selling price (Premium Pricing)** as the product may now be seen as a **higher level of quality** than beforehand, leading to **higher profits** for the business.

**Chapter 10 – Change – Impact of Technology
2009 Q6 (A)**

Illustrate how the following developments in Information and Communications Technology (ICT) have impacted on business:

- (i) Electronic Data Interchange (EDI)
- (ii) The Internet and the World Wide Web
- (iii) Video-conferencing.

MS: 2@ 7 Marks 2+3+2 1@ 6 Marks 2+2+2

(i) EDI is an **automated method of processing transactions between suppliers and customers** e.g. **ordering of stock, invoicing, payment** etc.

This impacts business as it is a **faster, more cost effective** method of processing transactions

E.g. A more effective stock control system using EDI means less stock needs to be held or too much won't be ordered, **reducing costs** e.g. **insurance, storage costs** etc.

(ii) The internet is the **global network** of computers facilitating the **transmission of data and communication** between **users** using websites (www – world wide web), **search engines** e.g. Google and social media e.g. Facebook/Twitter

This impacts business as it **facilitates e-business** e.g. **increased sales** from your own website or through websites like Amazon.com
Consumers can also **communicate directly** with business through a company website or direct messaging on social media or by e-mail.

(iii) Video-conferencing is a meeting **between two or more people from different locations**, facilitated by the use of video conferencing technology e.g. **Skype/FaceTime** using computers/mobiles and microphones/cameras.

This impacts business as meetings can be conducted in **real time** from **two or more different locations** anywhere in the world without the necessity to **travel**, saving both **travel time** and **cost** and also being more **environmentally friendly** (less air miles).

2016 Q5 (B)

Analyse the impact of new technology on business costs and on business opportunities. Provide **examples** to support your answer. (20m)

MS: 4 x 5m (3+2); 2 of each required, with examples

Impact on staff

New technology could reduce costs a business face as they may be able to make **staff redundant** if there is technology to do their job e.g. **Tesco self-scan aisles**.

There may also be **higher training costs to up-skill staff** to be proficient with the new technology. E.g. new **computer software** being introduced.

Impact on communications

The opportunity to get **quicker decisions** due to the availability of large amounts of data already collected on **websites** or stored in their **databases** or **spreadsheets**, or quickly collecting data using **Google Forms** to create surveys and get **instant feedback** from staff or customers, can improve decisions.

Impact on marketing

Using **on-line advertising** like **Google Ads** and on-line sales through **E-commerce** on their **own website** by promoting it on **social media** like **Facebook**, businesses have the opportunity to **increase the reach** they have over **potential customers**.

Impact on security

Using a **virus software** like **MacAfee** can **reduce systems breakdowns** and **prevent security breaches**, reducing **potential costs**.

Other: Impact on finance/capital investment; Impact on Production (economies of scale)

Chapter 10 – Change – Strategies for Managing Change
2011 – Short Q10

Outline **two** strategies management could use to help employees adapt to change.

MS: (3m + 2m) x 2

Communicate with Employees

Management need to communicate **clearly** why **change is necessary**, **educating** them on the **consequences** of **not taking any action**.
E.g. management could point out that increased competition may lead to a loss of market share which would result in redundancies if there was no change to their own working practices.

Rewarding Employees

Management needs to **reward** employees for **embracing change** e.g. offer **bonus** payments/ **flexi-time**/ wage increases for **accepting** and **using** new technology.

Other: consulting employees, empowerment, total quality management (TQM), training, industrial democracy, teamwork and adequate funding.