Chapter 10 – Change

Changing role of manager
Employee Empowerment
Teamwork
Total Quality Management
Impact of Technology
Strategies for Managing 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)

Benefit: Improved Decision Making
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.

Benefit: Employees become more innovative/skilled
Employees become more responsive to the needs of customers 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.

Risk: Increased chances of mistakes
If empowerment is introduced without adequate training for employees then mistakes can be made. Staff may make errors without management knowing about them, which could damage the reputation of the business with customers.

Risk: Unsuitable Staff
Some employees e.g. part time students, may 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 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*

**Improved Quality**

*Continuous Improvement* means the business tries each time to do better than the previous time when manufacturing products. A business using TQM will strive for *zero defects* in production. The benefit is less products will be returned for a refund, reducing costs.

**Increased Sales**

The focus is on the customer, so a manufacturing business will conduct market research into 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.

**Job Satisfaction**

Employees are empowered, allowing them to make decisions, increasing trust from management and allowing them satisfy esteem needs (Maslow). 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.

**Meet Legal Requirements**

Under the Sale of Goods and Supply of Services Act 1980, all products must be fit for purpose and of merchantable quality. The benefits to a manufacturing business are that TQM will help ensure standards are high enough so that they fulfill their legal requirements to consumers.
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).
**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.