

## 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.**

2020 Q6 (B)

- (i) Discuss the benefits of Employee Empowerment  
(ii) Outline **one** possible barrier to Employee Empowerment.

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

(i)

1. Employees will have the power to make decisions themselves which will be quicker as they don't have to constantly run each decision by their superior before making it, so fast effective decision making occurs.

2. Staff will improve their decision-making skills through practise, so they will become more experienced and expert in their role, which is preparing them for roles higher up in the business if they get promoted or become managers.

3. Staff will feel more trusted and responsible. They may then be more productive and energetic in their roles as their esteem needs are satisfied and they have increased motivation and morale. This will lead to lower staff turnover and fewer industrial disputes for the business.

(ii)

Some staff may not want extra responsibility in work – they may not feel trained or confident enough to handle it, which may lead to poor decisions being made.

**Other:** Autocratic manager

## 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.

**2021 Q6 (A)**

Read the information supplied and answer the questions which follow.

*Kerry Group is a leading taste and nutrition company. Total Quality Management (TQM), reward schemes and teamwork are evident in many leading companies such as Kerry Group.*

(i) Distinguish between **forming** and **norming** as stages in team development.

(ii) Outline **two** benefits of **teamwork** for the employees in a business. (20)

MS: (i) 6m (3m+3m) (ii) 2 @ 7m (4m + 3m)

(i) **Forming** refers to the team members coming together for the first time. A lack of trust can exist between team members. The team leader will attempt to build relationships and outline the objectives of the team

**Norming** is when rules have been established for how the team will behave, what standards are expected etc. Conflicts that might have occurred in the storming stage have been overcome. Trust has developed between team members and roles have been established.

(ii)

**Increased motivation / staff morale**

The staff workforce are more motivated when they work as part of team. Staff contribute their best efforts in an attempt to achieve the team objectives.

**Reduced absenteeism**

Employees recognise that others depend on them, so are more motivated / incentivised to not ring in sick when they are not unwell.

**Increased efficiencies**

Teamwork can improve communication with the organization. It can lead to staff developing greater interpersonal skills. This can lead to the sharing of ideas and improved efficiencies.

**Improved decision making**

Team members have knowledge and experience that they share with each other. This in turn can lead to more effective decisions and faster task completion

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.

**2021 Q6 (B)**

Read the information supplied and answer the questions which follow.

*Kerry Group is a leading taste and nutrition company. Total Quality Management (TQM), reward schemes and teamwork are evident in many leading companies such as Kerry Group.*

Discuss the benefits of adopting a Total Quality Management (TQM) system for a company such as Kerry Group. (15)

**MS: 3@5(2+3)**

TQM involves the business focusing on the **needs of the customer**. The benefit is that sales for Kerry Group will **increase as consumer satisfaction** is improved and the business will develop a reputation for developing high quality goods and services.

Employee empowerment **encourages the employees to make decisions**. This extra trust from management satisfies the esteem of the employees. This can boost **job satisfaction** and therefore productivity at Kerry Group.

Businesses who adopt TQM will strive for '**zero defects**' in production. The benefit is **less wastage** for Kerry group and less refunds.

**Employee empowerment** encourages the employees to make decisions. This extra trust from management satisfies the esteem of the employees and they may enjoy responsibility.

A principle of TQM is that employees work in **teams**, increasing productivity and satisfaction. This will enhance the reputation of Kerry Group as an attractive place to work. This will make it easier for Kerry group to **attract high class staff**.

## 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.*