

## Management of Change – Higher Level

(A) Explain how the Empowerment of Workers and Total Quality Management have changed the role of managers. (20m) (LCHL 2004)

### Marks:

- Empowerment: 2 points @ 5 marks each = 10 marks.
- TQM: 2 points @ 5 marks each = 10 marks.

### A SAMPLE ANSWER:

Empowerment means giving significant decision making power and responsibility to employees at all levels, especially those close to the customers. For this to work for the benefit of the firm, managers must:

- **Enable** the workers by ensuring adequate training, development and resources are provided.
- **Facilitate** the process by removing rules/systems that stand in the way of employees achieving their potential.
- **Collaborate** with employees i.e. see them as partners, not subordinates.
- **Mentor** employees - i.e. encourage, coach and support them.

Total Quality Management: This has 3 main elements:

- **Total Involvement** of all employees in
- **Satisfying** customers needs and
- Continuous improvement of products, processes and work practices.

For TQM to be effective, managers must:

- Be committed to TQM and lead by example.
- Put empowerment and teamwork in place.
- Create an atmosphere of trust where information is shared freely, efforts are rewarded and blame is avoided.

(B) Outline the benefits of teamwork to the employees of a business organisation (20m)(LCHL 2004)

**Marks:** 4 points @ 5 marks each: 3 marks for stating a point + 2 marks for elaboration.

**A SAMPLE ANSWER:**

- Being part of a team helps people to form relationships and friendships, which satisfy people's social needs.
- It can also help to satisfy the acceptance need identified by Maslow - feeling a useful member of a group.
- Team members help each other when difficulties are encountered at work, for example a more experienced person showing a less experienced one how to solve a problem.
- Sharing a common objective increases motivation and as a result job satisfaction.
- Working as a team is more fun as it creates opportunities for interplay, banter etc.

(C) Illustrate how the introduction of technology affects an enterprise's

(i) Business costs and

(ii) Business opportunities

(20m)(LCHL 2004)

Marks:

- Costs: 2 points @ 5 marks each.
- Opportunities: 2 points @ 5 marks each.

A Sample answer:

(i) Costs of introducing technology:

- **It raises costs initially** due to cost of machinery and training, e.g. new engineering equipment.
- It may raise costs further if there are redundancy payments (e.g. due to robotics).
- **It should reduce unit** cost due to greater output and lower wage costs (e.g. a robotic assembly-line).
- It can collect, store, retrieve and analyse vast quantities of information at little cost, once installed, (e.g. bar-code information in a supermarket). As a result, less middle-management is needed

(ii) **Opportunities** of introducing technology:

- Computer-aided design allows limitless design options to be explored
- Businesses can sell their products direct to consumers via an Internet website, cutting out the middleman - e.g. Ryanair
- Search data on any market is available instantly via Internet.
- Video-conferencing can bring key people to a virtual meeting instantly from all over the globe.