

SOLUTION BUSINESS MANAGEMENT NOV 2010

SOLUTION 1

- (a) Management is an interdisciplinary field of study. There are many theories in management: one of such theories is McGregor's Theory X.

According to this theory, the way a manager relates to his or her staff depends on the assumption he or she has about the staff. From his study he concluded that there are two sets of assumptions; Theory X and Theory Y.

Theory X

Theory X is of the view that workers have the following features:

- (1) The average staff dislikes work.
- (2) For the staff to be effective he or she has to be controlled and at times threatened with punishment.
- (3) The average staff would avoid responsibility.
- (4) The average staff is primarily motivated by money and fear.
- (5) The average staff has little ambition.

Theory Y

The assumptions of theory Y are:

- (1) The average staff sees work as natural.
 - (2) The average staff is self-controlled
 - (3) The average staff's intellectual potential is only partially realised.
 - (4) The average staff is motivated by various means.
 - (5) The average staff is capable of using a relatively high degree of imagination and creativity.
- (b) Decision making is choosing among two or more alternatives. Some of the stages in the decision making process are:
- a) Identify the issue
 - b) Collect the needed information
 - c) Develop alternative solutions
 - d) Select the best solution
 - e) Implement and evaluate the solution.

Identify the issue

A key issue in decision making is to identify what the issue is. The issue can be a problem, threat or an opportunity. An important activity in this stage is for the manager to ask the right question, so that the right answers can be found. The manager therefore has to define the gap between the actual and defined situation.

Collection of needed information

In order to ask the right question the decision maker has to be provided with information. There are various sources of information. The sources can either be internal or external. Internally information can be obtained from various reports. External information can be obtained from conferences, annual reports of competitors.

Develop alternative solution

After identifying the issue, the decision maker has to come up with or generate various ways of dealing with the issue. Some of the tools to be used to obtain various views on solutions are brainstorming and focus group discussions.

Selection of best solution

For a solution to be effective it should be matched against variables as financial, political and social constraints. Each solution should be evaluated to identify its advantages and disadvantages. The relative solution that would enable the organisation to achieve its goals or deal with the issue in an effective and efficient manner may be selected.

Implement and evaluate the solution selected

The objective of selecting and implementing a solution is that it would assist the organisation to close the perceived gap. The decision maker has to allow sometime to pass before it can be said whether the gap has been closed or not. After the time allowed where the gap has not been corrected the decision maker should find out whether the issue identified was corrected.

SOLUTION 2

- (A) Delegation is the process of assignment various degrees of decision-making authority to subordinates. When a manager fails to delegate some of his or her duties he or she becomes overwhelmed due to the following reason.
 - (a) The manager gains a great deal of time when he or she by pass well-defined tasks to lower level of staff. When this is done the manager will have more time to undertake important duties as planning.
 - (b) Another advantage of delegating is that it enables the manager to give his or her staff an opportunity to train and develop themselves. These activities enable staff to acquire skills that are needed for efficient and effective performance.
 - (c) In a very fast changing business environment, a key factor in succeeding is being able to come up with different products. Delegation assists in achieving this goal. Delegation assists subordinates to initiative activities, as the means each staff carries out an activity may be different.
 - (d) Delegation enables staff to have the authority to take some decisions. Where a manager has to take all decisions it slows down activities. If a manager delegates to his or her subordinates this allows for quicker decisions and more rapid responses to new conditions.
 - (e) Delegation also promotes communication flow in the organisation. Communication is key in almost all activities in an organisation. It is by means of communication that staff adds value in areas of delivery and cost of production. Effective delivery depends on having good information about clients. To achieve this there should be effective communication between the superior and the subordinate.

- (B) Leadership is a social influence process in which the leader seeks the participation of subordinates in an effort to reach organisational goals. There are various schools of thought on the concept of leadership. One of such schools is the path-goal theory.

According to this theory effective leaders are those who motivate their subordinates by clarifying their path to meaningful rewards available.

This can be achieved by the following means

- (1) Directive
- (2) Supportive
- (3) Participation
- (4) Achievement-oriented.

Directive is where the leader informs the subordinates of what are expected and asked to follow rules and procedures.

Supportive is where the leader treats subordinates as his or her equals. The leader shows much concern for their needs and welfare. All efforts are made to create a friendly environment at the work place.

Participative is where the leader consults his or her subordinates on issues. Subordinates are encouraged to make suggestions on issues. These suggestions are seriously considered by the leader as inputs for decision making.

Achievement-oriented is where the leader sets challenging goals and targets for subordinates. Such leaders put a lot of emphasis on excellence in work output. He or she seeks continuous improvement and is confident that the subordinate will be able to meet or attain the high standards set.

SOLUTION 3

- (a) For an organisation to achieve its goals and objectives, staff in an organisation have to be motivated. Motivation can either be financial or other benefits. Some of the motivations apart from other benefits are training and development, effective communication, availability of resource, friendly work environment, job enlargement and job rotation.

(1) Training and Development

In order for the organisation to be effective staff have the skills and knowledge to perform. Training and development are all attempts to improve productivity by increasing an employee's ability to perform. When staff have the skills they are able to perform better this motivates them.

(2) Effective Communication

Communication is the exchange of information through written or spoken words, symbols and actions to reach a common understanding. When staff share information they are well placed to perform. Managing depends on conveying and interpreting messages clearly so that people can work together.

(3) Availability of Resources

To produce a good or services, management have to provide staff with resources or factors of production. Factors of production are resources used to create wealth. A key factor is labour which provides knowledge. For the labour to be effective management have to provide land, machines, tools, building and others for labour to be effective. Availability of resources motivates staff to work.

(4) Friendly Work Environment

There are some conditions in the work environment that motivate staff. For management to motivate staff they have to ensure that there are conditions that make it possible for both managers and staff to work together. Such a friendly work environment is characterised by staff participating in decision making, managers having good listening skills and empathy.

(5) Job Enrichment

Job enrichment is a type of job variations that managers can use to motivate staff. Job enrichment is a strategy or means by which staff takes up additional responsibilities concerning the same job. For example a staff can be assigned to complete a task from beginning to the end. The motivational effects come from factors as opportunities for personal achievement, challenge and recognition.

(6) Job Rotation

Another type of motivation is for managers to use job rotation. Job rotation involves staff being moved from one job to another. This enables the staff to be trained as they need new skills to perform on the new position. This enables staff as being flexible.

(b) Negotiation is a fact of everyday life. Negotiation is decision-making process among interdependent parties with different preferences. It is by the process of negotiation that the two parties decide what to give and take for them to relate.

Negotiation can be said to be process of trading offers by two or more contesting parties in order to reach an agreement.

(c) For negotiation to be effective three of the conditions that have to be present are adopting a win-win attitude, having a bargaining zone and having a best alternative.

(1) Adopting a Win-win Attitude

Adopting a win-win attitude during negotiation is that all efforts by both parties should seek to have outcomes that constantly seek mutual benefit in all their interactions. A win-win attitude ensures that agreements reached are mutually beneficial and satisfying. When such agreements are arrived at all parties feel good about the decision and become committed to the action plan agreed on.

(2) Having a Bargaining Zone

For negotiations to be effective each party should have a bargaining zone. The bargaining zone would spell out conditions under which negotiations can take place. This gives the two extreme cases or points. Where the bargaining zones are the same for each party negotiations are unnecessary. Negotiation becomes necessary within the midway in the bargaining zone.

(3) Having a Best Alternative

Whether one is going for negotiation it is imperative that one has an alternative one would settle for when negotiations do not produce the designed outcome. This represents the bottom line for each party. The bottom line is the standard against which each agreement would be measured. This act as a guide for a party not to accept what is unavourable.

SOLUTION 4

- (a) A group may be defined as two or more pwole who interact freely and share a common identity and purpose.

A team is a small number of people with complementary skills who are committed to a common purpose for which they hold themselves mutually accountable.

- (b) There are two types of groups in an organisation. An informal and a formal group.

An informal group is a collection or a number of people who are seeking friendship. Such a group asists its members to meet their social needs as it makes it possible for them to satisfy their need for belonging such groups do not have formal leadership.

A formal group is a group created for the purpose of doing a productive work. Thus a formal group is a collection of people created to do something productive. Such groups are less fluid than informal groups. Example of such group is a committee. In this group a member is charged with ensuring that the aim for creating the group is achieved.

- (c) A key function or duty of a manager is control. Control is the process of taking preventive or corrective actions to ensure that the goals of an organisation are achieved. Some of the controls used in an organisation are plans, budgets, and performance appraisals.

Plans

A plan gives details of how the overall objectives are to be achieved. A plan can be a strategic plan, tactical plan or operational plans. A strategic plan has a long term frame, while operational plans specify the expectatios of management of specific departments or units. Plans are the output of the planning function. Good plans are controls as they give direction to staff of what should be done. This enables them adjust their activities accordingly.

Bedgets

A budget is a financial plan that spells out management's expectations for income or revenues and the allocation of such revenue to specific activities in the organisation. The budget is a control tool because it spells out the amount that should be spent on all key activities in the organisation.

Performance Appraisals

Performance appraisal is the process of evaluating performance as a basis for personnel decisions. Every member of staff has responsibilities at the work place. These responsibilities enable the organisation to achieve its goals. Usually at the end of each year, every memembr of staff's actual performance are matchfed against the standard agreed on. This is a control tool as it asists management to identify gaps and put in place measures to correct them.

SOLUTION 5

- (a) Job design is creating task responsibilities based upon the organisational objective, structure and strategy. Job serves as a career unit for employees and the design of a job assists in achieving this.
- (b) Job design involves three stages establishing job relationships, deciding on job description and determining the job specification.

(1) Establishing Job Relationship

In order to achieve organisational goals various jobs have to be performed. Thus the manager has to analyse what work needs to be done within the organisation in a particular department. Usually the live of relationship seen in the form of chain of command needs to be established.

(2) Deciding on Job Content/Description

Once management has determined the various jobs to be performed and the relationship between the various positions the duties and responsibilities of each position has to be decided on. The job content spells out what staffs are actually expected to do. The job description which specifies the objectives of the job, the type of work to be done and the responsibilities and duties and working conditions have to be decided on.

(3) Determining Job Specification

Job specification is a written summary of the minimum qualification as education, skills, knowledge that a staff needs or required to fill a specific job. Thus job specifications are statements about the staff who does the job. This activity is essential because if the staff is placed in positions where he or she does not have the qualification and experience the staff may not be able to perform and the organisation loses.

- (c) The types of planning in an organisation are strategic planning tactical planning and operational planning.

Strategic Planning

Strategic planning determines the major goals of the organisation. It acts as a guide for policies and strategies that have to be used to achieve these goals. This type of planning is undertaken by top management. At this stage management has to decide on which customers to serve, what product to produce and serve and the geographic areas in which the organisation would operate.

Tactical Planning

Tactical planning is the process of developing detailed, short-term statements about what is to be done, who is to do it and how it is to be done. Such planning is usually undertaken by heads of units. For example such planning has to set the budgets and spell out details and activities that are necessary to meet the strategic objectives.

Operation Planning

Operational planning is the process of setting work standards and schedules that are necessary to implement the tactical objectives. The operational plan spells out the department head's tool for daily and weekly operations. This type of planning therefore determines how specific tasks can best be accomplished on time with available resources.

SOLUTION 6

- (1) A key issue in employment relationship is for the employer to ensure that the employee operates in a safe and healthy environment.
- (2) One of the issues which organisational health and safety seeks to address in any organisation is that the employers have to ensure that as far as is reasonably practicable the employee works under conditions or in an environment that is properly ventilated.
- (3) Another issue that needs to be addressed is for the employer to ensure that all plant and equipment provided meet international standards. Also the plants and equipment should be properly maintained. All maintenance schedules have to be adhered to always. This helps to avoid accidents at the work place.
- (4) It is also important that employers provide health and safety training and information should be provided and communicated to all employees. To achieve this, a safety officer may be appointed to monitor safety measures in the organisation. The employee can also assist the employer in providing a safety work system.
- (5) It is also essential that managers ensure that employees go on breaks and rest during their working day. This is important because it ensures that there is no undue fatigue which is considered as one of the key causes of accidents in the organisation.

SOLUTION 7

- (a) A marketing plan is a written document which spells out into details all the important activities and actions that are needed for the organisation to achieve its marketing objectives.
- (b) The marketing plan can be made up of the following components: executive summary, situational analysis, objectives, strategy and action plans.

Executive Summary

The executive summary is a short document that summarises the entire marketing plan. It is short and is intended to give an overview of the full document. Issues to be covered by the executive summary are description of product to be offered for sale, the target market and its market mix.

Situation analysis

In marketing situational analysis evaluates the situation and trends in an organisation's market. A market is social and business relations whereby persons trade. The situational analysis assists the organisation to have information on its customers, costs and competition. Issues covered in the situational analysis position in terms of sales, market share and competition. It also gives the strengths, weaknesses, opportunities and potential threats.

Objectives

Objectives are the desired future state that an organisation intends to get to. All plans need objectives as specify the achievement of desired levels of performance during a determined time frame. To be able to set realistic objectives require well informed data. In setting this, care should be taken so that the objectives are compatible with the overall marketing objectives of the organisation.

Strategy

Strategy is the means to achieving a goal or an objective. There are various forms of strategy. The strategy section of the marketing plan should provide information on how to deal with competitors, and the marketing mix. For example it should cover the total product concept and pricing policy.

Action Plans

An action plan is a written document that spells out the activities that marketing officers have to complete for the objectives set in the plan to be achieved. Action plans ensure that the strategy succeeds. In the marketing plan the action plans would spell out the pricing structure, how and where customers can buy the product and how to promote the product.

(c) Importance of Total Quality Management

Quality is gaining importance in all areas of an organisation. Total quality management is a set of management practices that ensures that quality activities are performed throughout the organisation.

- (1) Total quality management is important for an organisation because it enables it to meet the needs of its customers. Meeting the needs of customers results in customer loyalty which is a requirement for staying in business and gaining an advantage over competitors.
- (2) Another importance of total quality management is that it gives management a tool to empower its staff. A philosophy of total quality management is that staffs have to seek and identify quality problems and find means to correct them. Thus it acts as an inactive for empowerment.