
Chapter 14

Unit 4 - Management 2

Manage Change

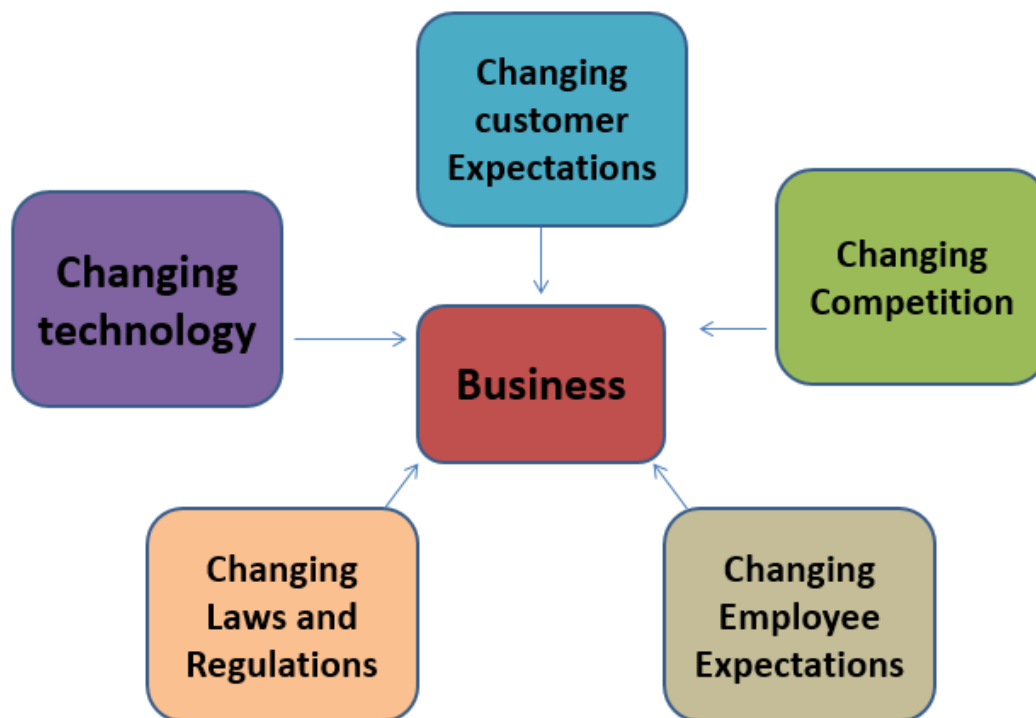
Chapter Notes & past Exam Question

Question 5 & 6

(2022 - 2011)

WHAT ARE THE MAIN CAUSES OF CHANGE IN THE BUSINESS?

1. Managing change is an important role for managers
2. Managers and staff must learn new skills so that they can adapt to change quickly
3. The following are the main sources of change for a business

WHAT ARE THE MAIN CAUSES OF CHANGE IN THE BUSINESS?**1. Changing in technology**

Technology developments are having a major impact on how and where business operate. There are new and faster Methods of productions (Robotics), marketing and selling (E-Commerce) and Methods of communication (e-mail, video conferencing)

2. Changing Competition

Competition are constantly changing by 1. Up dating their products and introducing new ones (Apple) 2. Introducing new and cheaper ways of doing business (Internet banking) and 3. Growing in size thus forcing competitive firms out of business (Economics of scale)

3. Change in employee expectations

Employees today Have higher level of education and bring different skills to the job, They want interesting and well paid jobs, Want flexible and family friendly working conditions and Are becoming diverse - working with different nationalities

4. Changing laws and regulations

Society has become more complex and citizens are more educated and demanding. This has led to new Irish and EU laws affecting business. Some issues included - Consumer rights, Employment law and Fair competition

5. Changing Customers Expectations

Customers tastes and fashion are changing all the time due to the internet and TV. Rising education level mean customers are more quality conscious. Increasing competition is leading to fewer loyal customers. Ethical and green decision issues are becoming more important when making

HOW CAN BUSINESS SUCCESSFULLY MANAGE CHANGE IN A BUSINESS

To be able to respond to change managers must become effective change managers. Change management is the process of anticipating changes, adapting the business to a constantly changing business environment. Successful change management involves the following

1. Communicating the need for change with staff
2. Promote a 'Facilitator' Management style
3. Promote employee empowerment
4. Promote Teamwork
5. Promote commitment to quality among all staff

Past Exam Questions
2015 ABQ C
2011 Short Question 10

1. Communicating the need for change with staff

Staff may not want change and become resistant. This may be due to Changes may mean taking on extra burden of work, they may not be skilled enough to be able to cope with the new changes, they may lose their job (Or loss of income) and the changes will not work (especially if there are too many of them. To avoid resistant from employees' managers should

- Communicate opening and honestly about the changes why they are taking place and what will happen if the changes are not put in place

- Allowing employee input into the decision making of the new changes. Staff can come up with good ideas and are more likely to co-operate
- Negotiating deals where necessary to provide fair rewards to the employees for scarifies they have made

2. Promote a 'Facilitator' Management style

Successful change managers mean mangers must be able to trust their employees and allow then greater responsibilities and a say in the business decisions. This means becoming a 'facilitative' (democratic manger). This type of manger has a Theory Y approach resulting in staff being more co-operative. Manager can become facilities by

- Providing interesting and challenging work
- Providing the training needed to do their job
- Empowering staff to get on with the job
- Mentoring staff by providing plenty of advice and support
- Consulting regularly with staff about what work is to be done and the best way to do it

3. Promote employee empowerment

This means providing staff with a clear goal, deadline and sufficient resources and freedom to decide how to achieve a goal. It can boast self esteem and self actualization because staff have power and responsibilities. It requires the following

- Managers to adapt a facilitator attitude
- Investing in staff training
- Proper management control to ensure employee errors are quickly identified, rectified and learned from
- Rewards to encourage staff (Financial and non financial)
- Teamwork

Benefits of Employee Empowerment	Problems with Employee Empowerment
1. Increase creativity and staff Intrapreneurship	1. Serious mistake being made by staff
2. Reduced absenteeism	2. Unhappy de-motivated staff who fell unprepared for extra responsibilities

3. Increase job satisfaction	3. Unhappy middle managers who may feel that their decision making powers are being taking away form them
4. Free up managers time	

4. Promote Teamwork`

Teamwork occurs when a group of people are working together towards a common goal. It empowers staff to have a direct say in hoe the business is run. Teams are self-managing which means they are responsible for running their own affair with little outside input

Characteristics

- Clear purpose about their common goal
- Sufficient resources to do the job
- Team leader who has good communication and motivation skills a positive attitude and is able to Plan, Organize and Control
- Shared input into decision making
- Committed team members

Becoming a Successful Team

Successful teams go through 4 stages

Past Exam Questions
2020 Q 6 A (i)
2015 Short Question 6

1. Forming This stages 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
2. Storming Team members test relationships and tensions. Conflicts frequently Arise as members try to establish their positions on a team. Members may act as individuals and resist other views. Differences are challenged.
3. Norming This is when norms/rules have been established for how the team will behave, what standards are expected. Conflicts that might have occurred in the storming stage have been overcome. Trust has developed between team members and roles have been established.
4. Performing Once a team has settled down it should start to perform well with all members working together towards the team's goals

Teamwork can be promoted by introducing team based/matrix organization structures. This structure is where staff are brought together into teams to achieve the clearly stated goals. Each team is responsible for achieving a team goal and each team will have personnel with different skills needed to achieve the team aims

Past Exam Questions

2020 Q6 A (ii)

2011 Q5 A

Benefits of Teams

1. Improves communication and relationships between staff - 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
2. Teams make better decisions as staff co-operation rises - 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
3. Teams can make faster decisions as it is no longer necessary to go up the chain of command
4. Increase motivation - Employee motivation and job satisfaction rise and poor quality work and labour turnover are reduced. 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.
5. Reduced absenteeism - Employees recognise that others depend on them. This can reduce the level of absenteeism in the workforce.
6. Committed teams can achieve better quality products

5. **Promote commitment to quality among all staff (TQM)**

Total Quality Management (TQM) is an approach to management that aims to maximize quality by getting all staff involved in continuously looking for ways to improve the quality of a firms product and services. It's main principals are

- Promoting employee empowerment
- Promoting teamwork
- Promoting commitment to quality among all staff

All members of staff from board room down to the workers are encourages to aim to produce a top class product and after sales service to the people they deal with

How can TQM be implemented

1. Recruit and train quality focused employees
2. Manager adapt a more facilitator management style. This will motivate employees to do their best
3. Empower and motivate employees to look for ways to improve customer satisfaction
4. Facilitate teamwork. Setting up quality circles. These are
5. Discussion groups made up of employees who meet regularly to discuss and resolve quality issues. These employees can be from any department
6. Adopt a strict quality control for purchasing, production and delivery of goods.

Past Exam Questions
2021 Q6 B

Benefits of TQM	Drawbacks of TQM
1. Increased Sales/Enhanced Reputation - TQM involves the business focusing on the needs of the customer. The benefit is that sales will increase as consumer satisfaction is improved and the business will develop a reputation for developing high quality goods and services.	1. Implementation can be slow
2. Increased employee motivation & job satisfaction - Employee empowerment encourages the employees to make decisions. This extra trust from management satisfies the esteem of the employees. This can boost productivity in the business	3. Stress - the high standards required by management can put employees under stress
4. Reduced costs - Businesses who adopt TQM will strive for 'zero defects' in production. The benefit is less wastage for Kerry group and less refunds.	
5. Teamwork & Employee empowerment - Employee empowerment encourages the employees to make decisions. This extra	

trust from management satisfies the esteem of the employees.	
6. Help attract talented employees - 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.	

NEW TECHNOLOGIES AND CHANGE

The use of technologies in business is changing the role of managers such as - Management communications and decision making, Marketing and identifying new business opportunities, Production, HRM and Business costs and financial Management

1. Impact of new technologies on management communication

Management decision making can be speeded up by using the internet spread sheets and databases. Decision can be communicated and shared quickly - Mobile phones, e-mails.

2. Impact of new technology marketing

Market research can be conducted using the internet. Online advertising and sales for example - E-commerce (B2C) using the internet to sell to consumers, E-business (B2B) buying and selling to other businesses and M-Commerce - using mobiles phones for business and financial transactions

3. Impact of new technology on production and stock control

Electronic Data Interchange (EDI)

This is an automated stock ordering system that allows orders to be place automatically from a computer in one business to a computer in another using the internet. This system allows

- Goods to be ordered on time
- With the minimum of paper work

Computer Aided Design (CAD)

Is used to speed up product design

Computer Aided Manufacture (CAM)

Involves using computers to automate part of the work on an assembly line to reduce labour costs and improve quality control

Computer integrated manufacturing (CIM)

Uses robots to control the entire production process from design and stock control to assembly and quality control. CIM can reduce labour costs but it must be managed carefully

4. Impact of new technology on Human Resources

Many jobs may be made redundant. E-Working - Means that people can work from home by being linked to the office via the internet and computers. Training - and Payroll management - wages can be paid automatically into the employees account

5. Impact of new technology on cost and financial management

New technologies can be expensive. Speed and accuracy of financial accounts - these can be quickly prepared, saved up dated and printed out using spreadsheets. Reduce costs
Communication and transport costs are reduced through the use of e-mail and video conferencing

6. Impact of new technology for management

Human resources and industrial relations can face challenges due to the need for staff retraining, redeployment or redundancies. ICT can lead to new jobs in web design, software development. Business vulnerability - Computer viruses, power cuts or software errors can corrupt or destroy valuable information stored on computer files

Chapter 14

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Higher Level

Past Exam Question (Higher)

(for Business in Action)

Question 5 & 6

(2022 - 2011)

Short Question**2015 Question 6**

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

2011 – Question 10

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

(i)
(ii)

Long Questions**2021 – Question 6**

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.

- (A) (i) Distinguish between forming and norming as stages in team development.
(ii) Outline two benefits of teamwork for the employees in a business. (20)
- (B) Discuss the benefits of adopting a Total Quality Management (TQM) system for a Company such as Kerry Group. (15)

2015 – ABQ

- (C) Evaluate the effectiveness of the approach taken by Martin to help Harte Shoes Ltd adapt to change. (30)

2011 – Question

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