Unit 3 SAC 2A – Suggested solutions

Question One

a **Decentralised decision-making** – workers are given responsibility for decision making in their own area.

b **Bureaucracy** – a complex hierarchical structure based on a clear division of labour, downward communication, centralised decision making, line management and a narrow span of control. Used in large-scale organisations such as the public sector.

c **Virtual corporation** – an organisation that uses the network structure.

**Marking guide (3 marks)**

One mark for each definition.

Question Two

1 **Senior/executive management** – Top level of management that has responsibility for long-term strategic planning (3 to 5 years); in charge of the entire organisation.

2 **Middle management** – Managers in charge of one department/section/division of the organisation, e.g. a store or branch manager; in charge of medium-term planning for their section over a period of up to 1 to 2 years; tactical planning.

3 **Front line managers (a.k.a. supervisors/leading hands/assistant managers etc.)** – in charge of a team or shift; responsible for day-to-day, week-to-week, monthly planning (operational planning) for their area of responsibility.

**Marking guide (4 marks)**

Two marks for naming the three management levels.

Two marks for describing scope of each role.

Question Three

a Any two of the following features could be named and described.

• Downward communication patterns as managers tend to issue orders/instructions

• Line management with narrower span of control

• Management makes decisions and passes instructions on to employees

• Employees report to a manager.
Marking guide (4 marks)
One mark for each feature named. One mark for each feature description.

b Delayering is a reorganisation of an organisation through the removal of one or more layers of management. A process of delayering at JJ Sportz might involve removing the middle level management and replacing this level of decision making with work teams of employees who participate in and make decisions that middle level managers previously made. This might be done for many reasons including:
• To empower employees and motivate them
• To utilise expertise knowledge and experience of employees
• To reduce wage costs and improve efficiency
• To become more competitive as a result of all reasons above

Marking guide (3 marks)
One mark for each feature named.

Advantages of a flatter organisational structure could include:
• reduced wages costs as a result of reducing employees in middle management
• better decisions made as employees know their work area best
• utilises employee knowledge skills and expertise
• better employee motivation and productivity.

Question Four

a Organisational policies – a policy is a written statement of the processes and procedures, rules and regulations of an organisation. These must be followed in a given situation. Policies contain guiding principles for action and should reflect the organisation’s mission/ objectives. A policy will tell an employee/member of an organisation what they should do in a given situation. They keep people within parameters of behaviour and working towards the organisational objectives, e.g. a uniform policy at a school, a discipline or a lateness policy, a promotions policy; an employment policy; an equal opportunity policy.
b **Procedures** – a series of interrelated steps contained within a policy, showing what must be followed in order to implement the policy correctly. These keep people on track in implementing a policy in the desired manner, e.g. a series of steps that must be followed when making an equal opportunity complaint such as sexual harassment; how to apply for a promotion or job will be set as procedures in an employment policy.

(3 marks)

**Question Five**

a **Corporate culture** – a system of beliefs and values shared by the people within an organisation.

Indicators of corporate culture include any of the following:

- Formal policies and procedures
- Physical environment
- Organisational structures
- Management styles
- Organisational processes
- Rituals, symbols and what is celebrated
- How people address each other and communicate
- Language used
- Official company documentation

**Marking guide (4 marks)**

One mark for definition. One mark for each indicator discussed.

b Corporate culture is an important influence on the likelihood of organisational success. A positive corporate culture will have the following benefits.

- Increased productivity
- Greater employee motivation and work ethic
- Reduced staff absenteeism and turnover
- Reduced recruitment and employment costs
- Greater profitability and productivity
- Positive public perception.
Pressures to change corporate culture may come from any of the three environments, such as internal pressures from employees and management, who may want to create a more socially responsible culture or to engender greater competitiveness.

Operating environment pressures may come for cultural change from competition or customers. Macro-environmental pressures from government, legislation, the economy etc.

**Marking guide (4 marks)**

One mark for identifying each pressure. One mark for each accurate description of how the pressure acts to cause an organisation to change its culture.

**Question Six**

a **Policy** – a written statement detailing processes, procedures, rules and regulations that must be observed in a given situation.

(b) Pressures to change a policy can come from any of the internal operating or macro environments including any of the following.

- Legal pressures
- Societal pressures to be socially responsible
- Customers
- Changing markets and expectations of consumers
- Changes in technology
- Lobby groups
- Trade unions
- Owners
- Management employees

**Marking guide (4 marks)**

One mark for identifying each pressure. One mark for each explanation showing how the pressure operates.

c Potential benefits are many, including:

- Improved reputation as being ethically and socially responsible with potential to gain a competitive edge in the market as a result
• Freedom from prosecution if legalisation is the cause of the change
• May attract and retain employee
• May led to better quality of production
• Reduction in carbon footprint

(3 marks)

d Possible disadvantages may include:
• higher costs of inputs
• may be reduced quality of inputs
• certain inputs and supplies may no longer available.

(3 marks)

Question Seven
a Student answers will vary but should clearly outline and justify two policies.

Marking guide (4 marks)
One mark for each identified policy.
One mark for each explanation.

b Student answers will vary but should clearly align with the two policies suggested in (a).

Marking guide (2 marks)
One mark for each policy analysis.

b Student answers will vary.

Marking guide (2 marks)
Two marks for explanation.

Total: 50 marks