Answers

1 **(a)** A stakeholder is someone who has the ability to influence an organisation and can in turn be influenced by it. Stakeholders can also be considered as those individuals who depend on the organisation in some way and on whom in turn, the organisation depends e.g. shareholders. Stakeholders have varying degrees of power and can vary in importance to the organisation depending on this power and their ability and desire to use it. Stakeholders can be individuals or groups of individuals, in which case they would be referred to as a coalition.

(b) Key stakeholders of an organisation are: shareholders, employees, customers, suppliers and the local community. Shareholders are the owners of the firm and a source of finance and in some cases expertise. Organisations need to satisfy the expectations of the shareholders. These expectations may be a requirement for the payment of a dividend which shows a satisfactory return on investment, or they may be in terms of the survival and growth of the firm. Employees at all levels are important stakeholders. They provide the firm with the knowledge, skills and expertise to meet the requirements of the owners. In turn, the organisation rewards them appropriately through remuneration packages and opportunities for career and personal development. Customers are important stakeholders in that they transact with the organisation for whatever goods or services it is providing. The organisation needs to respond to the needs of customers in terms of the types of products and services they expect to be able to purchase or receive in order to retain customer loyalty. Suppliers are an important stakeholder in that they provide the goods and services needed by an organisation to carry out its business. Suppliers expect to be treated fairly and equitably at all stages of the purchasing cycle e.g. to be given as much information as possible when preparing a quotation; to be paid as per the agreed terms of payment. The organisation needs to be a good citizen within the local community. It takes from the community in terms of labour and resources and has the potential to give back to the community in terms of its support for local projects and also providing incomes for those that it employs.

(c) The key environmental influences which might impact on an organisation and its stakeholders can be examined using a PESTEL analysis. This is a mnemonic for the following key factors, all of which can be considered regionally, nationally or internationally. Some of these factors may overlap and can be considered in more than one category.

(i) Political e.g. government policies on imports and exports;

(ii) Economic e.g. tax changes, interest rates, exchange rates;

(iii) Social e.g. changing age profiles, increased incidence of overseas travel, increasingly diverse work groups;

(iv) Technological e.g. impact of the internet, developments in mobile communications technology;

(v) Environmental e.g. issues associated with the production of genetically modified food, powerful lobby groups;

(vi) Legal e.g. legislation affecting employment, health and safety legislation.

(d) Considering a medium sized manufacturing firm, selling its products in international markets as the example, two influences which might impact on this organisation are technological and economic.

(i) Technological. Factors such as the technology available to help the firm communicate more effectively with its customers e.g. e-mail and the use of websites, or developing process technologies which might require them to make capital investments in new equipment in order to keep up with competitors.

(ii) Economic. Factors such as potential changes in government policies with regard to exporting to the countries where they do business, or changes which may enable them to open up new markets. Factors such as exchange rates which will affect the price of their goods overseas and of any supplies being purchased from international sources.

This is a very general example, indicative of the depth of answer required for this part of the question. Students will choose examples from their own organisations and markers will need to use their professional judgement as to the appropriateness of the factors that are chosen.

2 **(a)** The purchasing cycle is considered to begin when a specific need for goods or services is identified and ends when the need has been met and payment has been made. The various stages in this cycle will vary depending on the nature of the item being purchased, the size and structure of the organisation and also the position which purchasing holds within the organisation. Typically, purchasing systems within any purchasing cycle can be grouped into four main headings:

Originating
Sourcing
Ordering
Completing

The key stages in the purchasing cycle that one might expect to see in any review of a purchasing system are as follows:

Originating
Identification of need
Preparation of authorised requisition
Link to appropriate budget

Sourcing
Request for quotation (RFQ) sent to approved suppliers
Quotations received and analysed
Negotiation (if appropriate) and mutual agreement on price, delivery and all commercial terms and conditions
Most appropriate supplier selected

Ordering
Purchase order issued
Purchase order acknowledged

Completing
Delivery takes place/work completed
Invoice received
Invoice checked
Payment made
Performance evaluation/supplier appraisal and review

(b) Stationery and computer consumables are frequent, but usually considered to be relatively minor, purchases within organisations – nevertheless, given the nature of these items it is important that their purchase is effectively managed and controlled. Recommendations about the type of controls at each of these stages could be as follows:

Originating
Typical checks would ascertain that a legitimate signatory had authorised the purchase requisition and that he/she was not exceeding authorised spend levels. The originator of the requisition should not have any involvement in the checking of the requisition in accordance with the principle of segregation of duties associated with task execution and control. Other checks would include quantity details and delivery address.

Sourcing
Typical checks would ensure that only approved suppliers were sent the RFQ and that all suppliers on the approved supplier list had been duly audited and appraised. All potential suppliers should receive the same information. There should be clear criteria for the evaluation of quotations to ensure that suppliers are compared and evaluated objectively. Selected suppliers must meet predetermined criteria.

Ordering
Typical checks would ensure that only authorised purchase orders are issued by authorised individuals up to agreed amounts. All acknowledgements should be carefully checked for accuracy against the purchase and any discrepancies raised with the supplier for correction.

Completing
Typical checks would ensure that the invoice value and the order value match and that payment is then made in accordance with the agreed terms of payment.

Throughout all of the above it is important that wherever possible there is a segregation of duties and responsibilities. One individual should not be in a position to record and process a complete transaction.

3 **(a)** There are many definitions of teams and groups. A team as defined by Katzenbach and Smith (1993) 'is a small number of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable'. According to Mullins (1999) the underlying feature of an *effective* team or work group is 'a spirit of cooperation in which members work well together as a united team' This is apparent when:

(i) Group members have a belief in shared aims and objectives
(ii) Members show a sense of commitment to the group
(iii) Members accept group values and norms
(iv) There is a feeling of mutual trust and dependency
(v) There is full participation in decision making
(vi) Decision making is by consensus
(vii) There is a free flow of information and open communications
(viii) Disagreements can be aired and resolved
(ix) Conflicts are resolved by members themselves

(b) The key stages of group development as identified by Tuckman are forming, storming, norming and performing. Later writers added two stages to Tuckman's model – dorming and mourning/adjourning.

(i) Forming – the initial formation of the group. Group members get to know one another and test out behaviours to find out what is acceptable to other group members and to find out the nature of the situation and the task. Each member wishes to impress his or her personality on the group. The leader generally acts as a facilitator – helping people to get to know one another and also to understand collectively the nature of the task. The leader has a concern for both task and team but at this early stage of team development is more likely to focus on team issues. Group members tend to be very dependent on the leader.

(ii) Storming – characterised by a lack of unity and the emergence of open conflict as members have now got to know one another better and are prepared to put forward ideas. If the team is developing effectively this can be a very productive phase as more realistic targets are often set and trust between team members increases. The leader tries to resolve any conflicts that may arise and as a consequence is often much more heavily involved with team issues rather than task issues. Because of the dominant role that the leader often needs to take at this stage it is likely that there may be resistance to the leader from other group members.

(iii) Norming – a general understanding of one's own role and the role of others. A sense of unity develops as the group 'settles down'. Differences are accommodated. Group cohesion develops and there is mutual support and cooperation. The group acquires a sense of identity. The leader is no longer required to facilitate team processes and resolve conflict and the leadership role changes to one of being much more focused on the task. This involves the leader in coordinating activities and tasks to ensure that the work is completed and the overall team objectives can be met.

(iv) Performing – interpersonal problems are resolved and the team begin to focus on the task in hand and how to achieve their goal. The leadership role is much less in evidence at this stage of development as all team members including the leader are focused on completing the task and achieving the agreed objectives. The leader is likely to merge with the rest of the group.

(v) Dorming – once a group has been performing well for some time, it may become complacent and fall back into self-maintenance functions, at the expense of the task. The role of the leader would be one of trying to keep the group focused on the task, but this is sometimes difficult, or indeed may not happen, as the leader has merged with the rest of the group at the previous stage.

(vi) Mourning/Adjourning – the group sees itself as having fulfilled its purpose. This can be a stage of confusion, sadness and anxiety as the group disbands and breaks up. There is evaluation of its achievements and gradual withdrawal of group members. The leader can be important in the evaluation of the group's performance. If the group is to continue and go on to a new task – it will need to renegotiate aims and roles and will return to the forming stage and the group will once again be very dependent on the leader.

4 **(a)** The following should be set out in the form of a memo as per the requirements of the question. There are a number of approaches to personal work planning that you might find useful including producing lists, prioritising and scheduling. In addition to these main approaches there are a number of other techniques that you might include e.g. diaries and timetables and a variety of charts.

(i) Producing lists – these are useful ways of identifying and remembering what needs to be done and of monitoring the progress you have made with your daily workload or a set of specific tasks. It is usually best to make a list at the start of a day or at the start of a project. Try to stick to the list you have made and don't get involved with things that are not on your list. If necessary add them to your list.

(ii) Prioritising – this is about deciding which aspects of your work, or which specific tasks areas are more important than others. Some aspects of your work will need prompt attention whereas others can often wait. Important or essential work needs to be given a higher priority than other work. A piece of work or task is usually considered high priority if it has to be completed by a certain time or if other tasks or people depend on it.

(iii) Scheduling – is about planning and controlling priorities and deadlines. A schedule establishes a timescale for a logical sequence of tasks. Scheduling involves making sure that everyone is aware of the schedule in good time. The schedule should be realistic in terms of the time allocated for each task. It is important to be able to make allowances for any unexpected events and to revisit the schedule if necessary.

(iv) Action plans – set out a programme of work or action.

(v) Timetables – the information you have for your action plan or from your diary might be formatted as a timetable for ease of reference.

(vi) Charts – these are useful for longer term schedules and again, make activities easier to see – especially in relation to each other.

(vii) Gantt charts – are used to display progress and to show the amount of time allocated to a particular task.

(viii) Diaries – like timetables these are to remind you of key events and activities, remind you of any advance planning that needs to be undertaken or any follow up actions and to help you coordinate your efforts more effectively.

There is potential for some overlap in the responses to part (a) and part (b) of the question depending on the approach taken by the student. Should any of the latter points included in the suggested answer to part (a) above, also be included in part (b) of a student response – this should be rewarded accordingly.

(b) There are a number of things to bear in mind when trying to manage your time effectively. Firstly it is important to recognise that your use of time can be affected by the nature of the job you are doing, by your own personality and also by your colleagues and how they influence you and place demands upon you. When planning your time you will need to identify your key tasks – those tasks that are most relevant to achieving your objectives. This is like sorting out what you must do, what you could do and what you would like to do. Once you have identified your key tasks you need to prioritise these in terms of their importance, the time needed to complete them and against any deadlines or specific time spans. Once you have prioritised you can then schedule your work, or set out a timetable for completion. It is sometimes helpful to assign start and end times to tasks. It is important to include ways of controlling your time and the plans you have made for using it effectively. This means that you will need to minimise disruption by unexpected events and requests. It is also important to monitor how you actually use your time – keep a note of how you spent your time and how valuable you think time spent on specific activities was. Also make a note of typical interruptions so that you can develop strategies for either avoiding these or dealing with them as effectively as possible if they cannot be avoided.

5 **(a)** Training has a key role to play in the area of health and safety and can be seen as an important preventative measure. Health and safety training should be an important aspect of an induction programme for all new members of staff. They should be advised of their own responsibilities and those of their colleagues and the organisation. Attention should be drawn to particular hazards or safety issues associated with the specific industry in which they are working, within their workplace or within the specific context of their own particular work environment. Training should also take place following a transfer to a new job or department or following any relocation or change in working methods. Refresher training should take place at regular intervals. Special courses should be arranged whenever new equipment or changes to working methods or processes are introduced. Formal training can be reinforced in many ways including the use of notice boards, electronic bulletin boards and staff handbooks.

(b) Roles of senior management, the supervisor and the individual

(i) Senior management is responsible for developing and implementing policies and can ensure that appropriate procedures are in place for carrying out risk assessments and safety audits. Management can also ensure that a coordinated approach to health and safety issues is maintained across the organisation. They also have a duty to monitor and evaluate health and safety and for taking any necessary corrective action.

(ii) Supervisors – can have most influence as they are in immediate control of a situation and are usually in a position to take immediate action. They need to be vigilant and safety conscious at all times. They are also directly responsible for ensuring that individuals are conscious of health and safety hazards and do not take unnecessary risks. Supervisors are likely to be responsible for maintaining and updating any safety manuals and notices in conjunction with HR departments. They should ensure that all employees under their supervision are aware of things like fire exits and location of fire extinguishers, safety equipment and of the named first aider in the area.

(iii) Individuals – should be aware of safe working practices. Individuals have a responsibility for their own safety and for that of their fellow workers. They should carry out instructions associated with maintaining health and safety e.g. the wearing of protective clothing, or the use of safety guards when operating machinery. Individuals should ensure that they are up to date with the location of fire exits and fire extinguishers, safety equipment and of the named first aider in the area.

1 **(a)** 2 marks for a clearly articulated definition, including reference to power, influence and dependency. (2 marks)

(b) 1 mark for each identified stakeholder. (3 marks)
1 mark per brief explanation and their relationship with the organisation. (3 marks)

(c) 1 mark for each influence identified and one for a brief explanation up to a maximum of 2 marks per influence. (6 marks)

(d) 3 marks for each appropriate example. (6 marks)

(Total 20 marks)

2 **(a)** 2 marks for each stage identified and explained up to a maximum of 8 marks. (8 marks)

(b) 2 marks each for each type of control identified and two marks for each type of control explained at each of the three stages nominated by the student, up to a maximum of 4 marks per stage. (12 marks)

(Total 20 marks)

3 **(a)** 1 mark for each characteristic or feature identified – up to a maximum of 8. (8 marks)

(b) 0.5 marks for each of the stages identified, up to a maximum of 2 marks (2 marks)

1.5 marks for offering explanation about each of the stages, up to a maximum of 6 marks. (6 marks)

1 mark for appropriate reference to the role of the leader at each stage, up to a maximum of 4 marks. (4 marks)

(Total 20 marks)

4 **(a)** 0.5 marks for each approach identified. (1.5 marks)

2.5 marks for outlining how to use each of any three approaches effectively up to a maximum of 7.5 marks (2.5 x 3). (7.5 marks)
1 mark for using the correct format as identified in the question i.e. a memo. (1 mark)

(b) 2 marks for each main technique or tool explained up to maximum of 10 marks. (10 marks)

(Total 20 marks)

5 **(a)** 1 mark for each point identified up to a maximum of 8 marks. (8 marks)

(b) 1 mark each for identifying the key roles and responsibilities within each of the three categories up to a maximum of 4 marks within each category. (12 marks)

(Total 20 marks)