Answers

1 (a) If individuals and groups within organisations are to be effective in working for the achievement of the organisation's objectives, they need to know what it is they are expected to do. Planning is important to managers because it enables them to identify the objectives for which they are responsible, enables them to organise how to achieve them and then helps them to measure if they are being successful in achieving those objectives.

(b) Strategic planning involves making decisions about what business the organisation should be in and what its overall objectives should be. Strategic planning is long term and considers where the business wants to be in two to three years time – longer in some cases. This involves a consideration of environmental factors, current and potential competitors, declining and emerging markets, possible technological change, etc. Strategic planning deals with many variables and a high level of uncertainty. The strategic plan is likely to be amended in the light of new developments. Tactical planning involves making decisions about how an organisation should go about achieving the overall objectives determined by the strategic plan. Tactical planning considers a much shorter time period, for instance a year, and decides what needs to be done within that year to implement the strategic plan. At this level, planning will involve deciding upon expansion targets, market penetration, asset purchases, financing requirements and any improvements which need to be made to efficiency.

(c) The human resource plan of an organisation is prepared on the basis of the analysis of its future human resource and skills requirements. Depending on the organisation's requirements and the availability of skills within the organisation which can be developed or deployed, the human resource plan could include the following elements:

(i) Recruitment plan – which considers the numbers and types of people/skills and when these are required, along with a target recruitment programme for both internal and external appointments.

(ii) Training and development plan – which considers the skills needing to be developed, the number of trainees required and also programmes for retraining if appropriate.

(iii) Succession plan – which includes programmes for identification and development of individuals for promotion and plans for replacements for key management posts.

(iv) Productivity plan – which considers programmes for improving productivity or reducing staffing costs and also develops productivity targets.

(v) Retention plan – which identifies the actions necessary to reduce avoidable staff turnover or wastage and includes a review of working terms and conditions.

(vi) Redundancy plan – which considers policies for selection and timing of redundancies, timetable for union consultation if appropriate and budgets for redundancy payments.

(vii) Reward plan – which considers salary structure and plans for merit or performance related pay and also salary rises over time.

2 (a) The purpose of a payroll system is to compute the gross and net wages and salaries of all employees, to produce payslips, cheques and/or listings sent to banks instructing them to make payments and to account for all statutory and non-statutory deductions.

(b) Payroll files will consist of an individual record for each employee which includes both standing and variable (sometimes called transactional) data. Standing data will include personal details e.g. name, employee number, job grade, address etc as well as the rate of pay for the employee, details of any deductions, their tax code and their holiday entitlement. Variable or transactional data will include gross pay to date, tax to date and pension contributions if applicable.

(c) The four main aims of any control system relating to a payroll system are concerned with the following areas:

(i) Setting of wages and salaries. This includes ensuring that employees are only paid for work that they have done and that gross pay has been calculated correctly and appropriately authorised.

(ii) Recording of wages and salaries. This includes making sure that gross and net pay and deductions are accurately recorded on the payroll; that the wages and salaries actually paid are recorded correctly in the bank and cash records and general ledger.

(iii) Payment of wages and salaries. This means ensuring that the correct employees are paid.

(iv) Deductions. This includes making sure that the statutory and non-statutory deductions have been calculated correctly and are authorised and that the correct amounts are paid to the taxation authorities (and also into pension schemes if appropriate).

3 (a) Managers and supervisors might need to delegate authority for a number of reasons, including the following. There are physical and mental limitations to the workload of any one individual in authority and it may be necessary to delegate to ensure that the workload can be effectively managed. Managers and supervisors may wish to delegate in order that they are free to concentrate on the aspects of their work which only they are competent to do (e.g. detailed planning or aspects of budgeting). The increasing size and complexity of many of today's organisations demands increasing specialisation and effective delegation is one way of developing this. Managers also need to consider that delegation provide subordinates with development opportunities.

(b) The decision of whether or not it is appropriate to delegate authority is an important one and there are a number of factors which may need to be taken into consideration. It is always important that authority resides where it is best placed to be exercised effectively. The manager or supervisor will need to be confident that the subordinate has the necessary experience and expertise to undertake the task. The manager will also need to trust the reliability and competence of the subordinate to undertake the task or make the decision. The task or decision should be within the capability of the subordinate and he or she must be consulted and be prepared to accept it.

(c) Many managers and supervisors are reluctant to delegate and attempt to do many routine tasks themselves as well as more important ones. Some of the reasons for this might be as follows:

(i) They may have low confidence and trust in the abilities of their staff;

(ii) They may believe that they are the only one capable of doing the task properly;

(iii) They may wish to keep enjoyable parts of the job to themselves;

(iv) Some managers feel more powerful by retaining their decision making privileges;

(v) They may fear that their subordinates will use the authority poorly;

(vi) They may not wish to take on the additional burden of being accountable for any mistakes that their subordinates might make while executing the task;

(vii) They may believe that their subordinates do not wish to have broader decision making responsibilities;

(viii) They may wish to 'stay in touch' with the department or team and feel that any act of delegation removes them from the day to day activities;

(ix) They may feel threatened and be unwilling to admit that assistants have developed to the extent that they could perform some of the manager's duties. They may feel threatened by this sense of redundancy.

(x) There may be poor control and communication in the organisation so that the manager feels he has to do everything himself in order to retain control and responsibility for the tasks;

(xi) There may be an organisational culture which has failed in the past to recognise and reward effective delegation. In this climate the manager may feel that delegation is seen as shirking responsibility;

(xii) There may be a lack of understanding about what delegation involves;

(xiii) There may be a lack of training and development of managers in the skills needed for effective delegation;

(xiv) Managers and supervisors may have had poor experiences of delegating to others.

4 (a) The four key stages of an appraisal interview are: prior preparation, the interview itself, gaining commitment and follow up actions.

(b) There are a number of activities and actions that might take place at each of the four stages.

(i) Prior preparation. At the preparation stage it is important that the appraiser ensures that the time and place planned for the interview are appropriate and that there will be no interruptions. The appraiser should ensure that he/she has all of the information needed to be able to conduct the interview effectively e.g. he/she should review the employee's history and any previously agreed targets or objectives. Other sources of feedback should be consulted if necessary e.g. liaison with other work teams or consultation with other department managers if the appraisee has been involved in more than one area of the business. Finally it is important that the appraisee is given time to prepare and to undertake their own self-appraisal before the interview and to gather any information that they may need.

(ii) The interview itself. It is important that the interview is seen as a two way process and exchange. The appraiser must be able to demonstrate effective listening skills. The employee should be encouraged to share views freely and to review his/her work performance objectively and honestly. Any problems or development needs should be identified.

(iii) Gain commitment. At this stage it is important to agree a plan of action that both parties can agree and commit to. There may be actions for both parties and it is important that these are recorded accurately. Usually at this stage all of the associated appraisal documentation is completed and development plans are put in place.

(iv) Follow up. This is an important stage of the appraisal interview process and involves making sure that any agreed actions are carried out and that progress is monitored. It also involves making sure that both parties are kept informed of progress.

(c) There can be many reasons why the outcomes of an appraisal system are not satisfactory, including the following. There can be uncertainty, lack of clarity and lack of a shared understanding regarding the overall objectives of the appraisal system. Sometimes appraisals are seen as confrontational or as an opportunity to tackle major problems which have not been dealt with effectively in the past. This means that the overall purpose and objective of the appraisal is not achieved and people do not approach the appraisal with a positive attitude. In these circumstances the outcomes are not always satisfactory e.g. it is not always possible to reach agreement on performance levels or to get objective feedback. Feedback at an appraisal is often delivered badly, the appraisal may be based on most recent performance and not on the whole year and there can be a lack of attention to the development needs of the employee.

Sometimes appraisal can be seen as a one sided process, where the interview provides an opportunity for the manager to sit in judgement on the employee. This can lead to the employee feeling threatened and he/she is put on the defensive. In some cases, the introduction of an appraisal system can lead to increased labour turnover.

Appraisal can sometimes be seen as nothing more than an informal, friendly chat with no real purpose or outcome. Some managers may be embarrassed by the need to give feedback and may do so inappropriately. In some organisations, the appraisal system is over bureaucratic and involves a great deal of form filling. This can lead to it being seen only as a form filling exercise, with no real outcomes. In some cases, organisations do not allocate sufficient resources to the appraisal system; this means that development needs might be identified but cannot be fulfilled. The underlying purpose of the appraisal, to improve individual and organisational performance, can be overlooked.

5 **(a)** The three basic principles of security are delay, checking and alarm. **Delay** means providing appropriate lines of defence before vulnerable areas and items can be reached. This could include some or all of the following: making sure that outer doors to the main building are securely locked and bolted, ensuring that there is a secure, staffed reception area for visitors, ensuring that all offices are locked and where appropriate, guarded, by making sure that filing cabinets are lockable and are kept locked when not in use and finally by providing safes.

The second principle of security is checking – this means having appropriate procedures for authorised access to vulnerable areas or items. This could include some or all of the following: making sure that authorised staff can be clearly identified either by a uniform or an identity badge, (preferably showing a photograph), by ensuring that all visitors are checked in, escorted while they are on the premises and checked out on departure, by always ensuring that any unauthorised visitors on the premises are challenged, by the use of personal pass words or swipe cards to gain authorised access to different parts of the organisation and finally by seeking appropriate authorisation before access to files can be allowed.

The third principle of effective security is alarm. This means making sure that there are adequate procedures for alerting those responsible for responding to security breaches. This could include some or all of the following: ensuring that buildings are fitted with electronic security alarms and by carefully controlling access to entry codes, by training all individuals in the organisation to be alert to potential security breaches and to be aware of the procedures for reporting them and through ensuring that computer systems have the ability to warn of any unauthorised attempts to access files. Internal security is also important and organisations should ensure that they have effective recruitment, selection and screening systems for all staff and security staff in particular.

(b) Items that are valuable, portable and easily saleable are particular security risks in an organisation, for example small equipment such as computers, printers, video and television equipment; vehicles or office furniture. Documentation such as ownership documents e.g. share certificates or title deeds and cash and cheques are also vulnerable. Other vulnerable items include security devices like pass cards and keys or information stored in portable form e.g. paper files, floppy discs and CD Roms. The types of people who might be at particular risk in an organisation are: front line security staff e.g. security guards and reception staff, staff with custody of important assets e.g. counter staff in banks. Key personnel may also be at risk of intimidation for the purposes of obtaining cash, assets or security codes.

(c) The following are some of the most vulnerable areas or locations in an organisation: all public or open areas (such as entrances, hallways, parking areas, toilets, stairways and lifts), especially if they are unattended, all points of entry and exit (doors, windows, gates and lifts), all unattended areas (store rooms), unlit areas, and reception areas. Points of transit or storage outside the organisation's premises can also be a source of security risk e.g. valuable items may be taken out of the office e.g. cash for banking, products for delivery, laptop computers for working at home. Finally any areas where at-risk items and data might be concentrated also pose a security risk e.g. store rooms, computer rooms, offices, file stores etc – especially if they are located near points of entry or exit or busy public areas.

1   **(a)**   2 marks for each reason given.   4 marks

    (b)   2 marks for each difference explained.   4 marks

    (c)   1 mark for each element identified and a further 2 marks for each element subsequently explained.   12 marks
                                                                                                    Total 20 marks

2   **(a)**   2 marks for a clear explanation of the purpose.   2 marks

    (b)   1 mark for each item of information included up to a maximum of 6 marks.   6 marks

    (c)   1 mark for each aim identified up to 4 marks and a further 2 marks for each aim appropriately explained.   12 marks
                                                                                                    Total 20 marks

3   **(a)**   2 marks for each reason given.   6 marks

    (b)   1 mark for each factor identified up to a maximum of 6 marks.   6 marks

    (c)   2 marks for each reason identified up to a maximum of 8 marks.   8 marks
                                                                                                    Total 20 marks

4   **(a)**   1 mark for each stage identified.   4 marks

    (b)   4 marks for each full explanation.   8 marks

    (c)   1 mark for each reason identified and further 3 marks for the explanation of each reason.   8 marks
                                                                                                    Total 20 marks

5   **(a)**   1 mark for each principle identified up to a maximum of 3 marks and a further 3 marks for an
        explanation of each of the three principles.   12 marks

    (b)   2 marks for each example provided.   4 marks

    (c)   2 marks for each example provided   4 marks
                                                                                                    Total 20 marks