

Intermediate Level

Organisational Management

11

IORG

27 May 2004

Thursday afternoon

INSTRUCTIONS TO CANDIDATES

Read this page before you look at the questions

You are allowed three hours to answer this question paper.

Answer the ONE question in Section A (this has 10 sub-questions).

Answer the TWO questions in Section B.

Answer TWO questions ONLY from Section C.

SECTION A — 20 MARKS

ANSWER ALL TEN SUB-QUESTIONS – 2 MARKS EACH

Each of the sub-questions numbered from **1.1** to **1.10** inclusive, given below, has only ONE correct answer.

REQUIRED:

On the SPECIAL ANSWER SHEET opposite, place a circle “O” around the letter that gives the correct answer to each sub-question.

If you wish to change your mind about an answer, block out your first answer completely and then circle another letter. You will not receive marks if more than one letter is circled.

You must detach the special answer sheet from the question paper and attach it to the inside front cover of your answer book before you hand it to the invigilators at the end of the examination.

Question One

1.1 Which ONE of the following is a function of a strong corporate culture?

- A The encouragement of a laissez-faire set of attitudes between employees.
 - B The provision of a sense of identity and shared values for employees.
 - C The provision of ambiguity for the way people should behave.
 - D The focus of employees on their own personal agendas.
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1.2 Which ONE of the following most accurately reflects one aspect of the goal approach?

- A A full assessment of effectiveness should consider several goals simultaneously because high achievement on one goal can mean low achievement on another.
 - B Priority setting means that only one goal at a time can be realised.
 - C Subjective assessment of goal achievement in organisations is unacceptable.
 - D The most common goals stated today by corporations are those to do with management development.
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1.3 Which ONE of the following most clearly describes an advantage of a divisional or product organisational structure?

- A It assists integration and standardisation across product lines.
 - B It results in the centralisation of decision-making.
 - C It provides sufficient autonomy for business units to adapt to differences in clients and markets.
 - D It fosters communication between specialists.
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- 1.4** Which ONE of the following statements regarding information is correct?
- A** Staff cannot have too much information whatever the specific time period.
 - B** The structures should fit the information requirements of the organisation.
 - C** Information should flow vertically but not horizontally.
 - D** Information should flow horizontally but not vertically.
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- 1.5** In the process of human resource planning, the first step is to
- A** assess the existing workforce.
 - B** forecast the potential supply of labour.
 - C** review the organisational mission, objectives and strategies.
 - D** forecast human resource needs.
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- 1.6** An individual can be said to have reached a career plateau when
- A** promotions cease.
 - B** promotions decrease.
 - C** demotion takes place.
 - D** promotions increase.
-

- 1.7** The conflict management strategy recommended as a means to benefit all parties in a dispute is
- A** compromising.
 - B** competing.
 - C** collaborating.
 - D** accommodating.
-

- 1.8** Attempts to secretly influence others by offering only selective information is a means of dealing with resistance by
- A** participation.
 - B** force-coercion.
 - C** facilitation.
 - D** manipulation and co-option.
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1.9 In Frederick Herzberg's two-factor theory of motivation, base pay is considered to be what kind of factor?

- A** Motivator.
 - B** Hygiene.
 - C** Equity.
 - D** Valence.
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1.10 What type of power does a manager use when he/she promotes a member of staff on merit?

- A** Referent.
 - B** Autocratic.
 - C** Coercive.
 - D** Reward.
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(Total = 20 marks)

End of Section A

SECTION B – 40 MARKS
ANSWER BOTH QUESTIONS

Question Two

S is a manufacturing company which produces DVD players and other electronic consumer products. It is structured along conventional functional lines with departments of production, purchasing, finance, marketing and sales, research and development, and packaging.

In recent years, it has faced an increasingly changing and unpredictable environment as competition from overseas rivals has increased, late delivery of some components has led to production delays and new legislation has pushed up employee insurance and pension costs.

The introduction of new technology to try to improve efficiency in production has met with limited success as employees have found the new work processes excessively boring. This has led in turn to demands from the work force for an increase in pay. Attempts to improve performance have not been helped by the constant battles between the head of production and the head of marketing over the design of some key products.

Required:

(a) Describe the open systems approach to organisational analysis.

(10 marks)

(b) Explain how S could apply the open systems approach to identify areas for improving its efficiency and competitiveness.

(10 marks)

(Total = 20 marks)

Question Three

The T City Police Force has been subjected to considerable criticism in recent years. The first criticism is from *some* of the citizens of T City who claim racial harassment and slow response to emergency calls. The second is from a government audit which found that the T City Police Force had a poorer record on crime prevention and convictions for crime than any of the other nine urban forces in the country.

As well as a number of other measures, the T City Chief of Police has accepted a recommendation from the head of human resources to implement a performance appraisal system linked to a performance-related payment (PRP) system. A spokesman for the Association of Police Officers has objected to the proposed appraisal and PRP systems on the grounds that limited government funding and the poor socio-economic conditions of T City district will make the system unworkable.

Required:

- (a) Explain the purpose of performance appraisal. Discuss how the T City Police Force could use the information from the performance appraisal system to improve the performance of its police officers.

(8 marks)

- (b) In the light of the comments made by the spokesman for the Association of Police Officers, discuss the potential problems associated with the introduction of the proposed performance appraisal system and performance-related payment system.

(12 marks)

(Total = 20 marks)

End of Section B

SECTION C – 40 MARKS
ANSWER TWO QUESTIONS ONLY

Question Four

The L Company is a web-based provider of on-line information for clients in a specialised area of the financial services industry. It recently purchased a nineteenth-century building into which it has installed modern computing facilities.

Unfortunately, the building has certain limitations. The electrical wiring and water pipes have not been renewed for many years. Similarly, the ventilation system and lift system connecting the floors date back to the 1920s. As well as these problems, the electrical contractor who helped install the computer systems has left cables trailing across the office floors. Also, the management has still not provided adequate rest-room and toilet facilities despite frequent complaints by staff.

Due to a lack of any form of induction programme, the employees are relatively unaware of the hazards they face in their workplace.

Required:

(a) Explain the potential health and safety problems confronting the L Company.

(8 marks)

(b) Explain what the L Company needs to do to ensure that it meets its *general* responsibilities for health and safety at work.

(12 marks)

(Total = 20 marks)

Question Five

The O Company, founded in the 1960s, manufactures electric pumps. Despite developments in globalisation, technology, methods of production, techniques of quality management and global sourcing of supplies, the O Company has retained its original approach to operations.

Unfortunately, this reluctance to adapt to the new operations environment has resulted in a decline in competitiveness, a consequent fall in market share, and an overall threat to the future viability of the O Company.

Required:

(a) Describe the key activities in the operations function of an organisation such as the O Company.

(8 marks)

(b) Explain how the O Company could take advantage of the opportunities offered by developments in technology, production methods, quality management and global sourcing to improve its competitiveness.

(12 marks)

(Total = 20 marks)

Question Six

The Store Manager of the D Company, a pottery retailer, is primarily concerned with ensuring that she has sufficient employees with the right training to keep the store operating efficiently. The Human Resource Manager accepts the need for training, but is also concerned to enhance the competitive advantage of the D Company by encouraging employee development. The ultimate aim of the Human Resource Manager is to help the D Company to become "a learning organisation".

Required:

- (a) Describe how the Store Manager's idea of "training" differs from the Human Resource Manager's notion of "employee development".

(6 marks)

- (b) Discuss the key features of a "learning organisation". Explain how the Human Resource Manager could assist the D Company to become a learning organisation.

(14 marks)

(Total = 20 marks)

Question Seven

The B Company, a long-established food company with about 200 employees, is experiencing a number of problems including the need to implement new hygiene regulations, changes in consumer tastes, rising costs of materials, increasing competition and a demand for higher pay from its employees. But, rather than rising to the challenges as was the case in the past, the current staff seem unable to respond effectively. Morale is generally at a low level, departments are not co-operating and there have even been instances of conflict between quality control and operations. There also seems to be a lack of confidence in the management in general and a feeling that the company has lost direction.

A consultant called in to assist the B Company has recommended the use of techniques drawn from the field of organisational development as one means of tackling B's problems.

Required:

- (a) Describe the overall approach of organisational development. Illustrate your answer with examples of how particular organisations have applied this approach.

(10 marks)

- (b) Using your knowledge of organisational development, explain how you would use the methods/techniques of organisational development to deal with the problems in the B Company.

(10 marks)

(Total = 20 marks)

End of paper