

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT
STRATEGIC ISSUES IN ADMINISTRATION

4th June 2007, Time: 09.30 – 12.30

Time Allowed: 3 hours to answer FOUR questions.

**This paper is divided into four sections. ONE QUESTION MUST BE
ATTEMPTED FROM EACH SECTION.**

**Allocation of marks as
shown on the paper.**

SECTION A: THE ORGANISATIONAL ENVIRONMENT

1. (a) Explain what is meant by 'PESTLE analysis'.
(30 marks)
- (b) Identify the main forces for change acting on an organisation in 2007
(30 marks)
- (c) Explain why it is important for an administrative manager to understand the
external environment of the organisation
(40 marks)
2. (a) Explain, what is meant by the term 'stakeholder'?
(30 marks)
- (b) Discuss the ways in which administration could contribute to meeting an
organisation's social and environmental responsibilities. Providing reasons and
practical suggestions for each of your proposals.
(70 marks)

SECTION B: INTRODUCTION TO STRATEGIC THINKING

3. (a) What are the characteristics of a good Mission Statement?
(30 marks)
- (b) Explain how the Mission Statement influences the strategic planning process
(30 marks)
- (c) How would you involve your administrative staff in the strategic planning process.
(40 marks)
4. (a) How is e-Business different from traditional approaches to business?
(40 marks)
- (b) Discuss the reasons an organisation may have for developing an e-Business strategy
and the implications it has for the way administration is organised and managed.
(60 marks)

SECTION C: THE CUSTOMER-FOCUSED ORGANISATION

5. (a) What is the role of 'marketing' within the organisation as a whole?
(30 marks)
- (b) How could marketing principles be applied within an administrative context.
What would be the benefits to your organisation?
(70 marks)
6. (a) What is meant by a 'customer-focused organisation'?
(30 marks)
- (b) Explain the different elements of the Promotion mix, and discuss how you could use them to enhance perceptions of your organisation with external customers.
(70 marks)

SECTION D: MANAGING CHANGE AND CULTURE

7. (a) Why is radical change experienced as stressful by some employees?
(20 marks)
- (b) Use one model or theory to explain the cause of stress at work.
(20 marks)
- (c) What could organisations, and you as a manager, do to minimise stress in the workforce? Use examples of current practices in an organisation of your choice to illustrate your answer.
(60 marks)
8. (a) Explain the Japanese concept of *kaizen*.
(30 marks)
- (b) Discuss the value of a *kaizen* culture in reducing resistance to change and building a culture of flexibility and adaptability within an organisation?
(70 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT
ADMINISTRATIVE MANAGEMENT OF RESOURCES

5th JUNE 2007, TIME: 09.30 – 12.30

Time Allowed: 3 hours to answer FOUR questions. This paper is divided into four sections. ONE question must be attempted from each section.

Allocation of marks as shown on the paper.

Graph paper is included in the centre of the exam script.

SECTION A: MANAGING PROJECTS

1. (a) Explain how Gantt charts clearly show the state of each activity at any point within the project.

(30 marks)

- (b) Draw a network to represent the following project details and determine the critical path.

Activity	Preceding Activity	Duration (Days)
A	-	3
B	A	6
C	B	9
D	B	2
E	D,C	8
F	E	5
G	D	7
H	F,G	3

(50 marks)

- (c) Calculate the total float for activity G.

(20 marks)

1. 'Time needs to be managed as efficiently as possible by managers at all levels in the organisation.'

Discuss

(100 marks)

SECTION B: MANAGING FINANCIAL RESOURCES

2. 'Both the private and public sectors are under pressure to ensure that the best possible use is made of the finance available to it and that there is effective and efficient running of the organisation.'

Discuss

(100 marks)

3. Explain using appropriate financial ratios how ratio analysis is used to:

- (i) Assess the organisation's financial performance
- (ii) Evaluate the financial stability of the organisation
- (iii) Predict the future performance and stability of the organisation

(100 marks)

SECTION C: MANAGING EXPENDITURE

5. (a) 'Marginal costing is useful in short run decisions'.
Explain what this statement means.

(30 marks)

- (b) A company anticipates sales of 14,000 units, based on a selling price of £6 per unit. Variable costs are £4 per unit and fixed costs are £10,000.

- (i) Calculate the break even point in units and in £' sales.

(15 marks)

- (ii) Calculate the profit if the company reduced its variable costs by £1 per unit

(15 marks)

- (iii) Calculate the profit if alternatively the company increased its selling price to £8 and sold 12,000 units.

(15 marks)

- (iv) Compare the difference in the margin of safety between proposal (ii) and (iii).

(25 marks)

6. (a) 'The level of inventory, or stock, held at any given time can be a critical factor for an organisation.' Evaluate this statement.

(70 marks)

- (b) Calculate the Economic Order Quantity (E.O.Q) given the following:

The demand for an item is constant at 5,000 items per year. The cost of processing an order and arranging delivery is £100, and the carrying cost is £44 per item per year.

(30 marks)

SECTION D: MANAGING FACILITIES

7. Explain with the aid of examples how a Facilities Management Department can enhance quality through its operations.

(100 marks)

8. 'Facilities management is driven by political and social pressure, productivity, performance values and legislative changes.' Discuss.

(100 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT
HUMAN RESOURCE MANAGEMENT & PRACTICE

6th June 2007, Time: 09.30 – 12.30

Time Allowed: 3 hours to answer FOUR questions. This paper is divided into four sections. ONE question must be attempted from each section.

Allocation of marks as shown on the paper.

Graph paper is included in the centre of the exam script.

SECTION A: HRM IN CONTEXT AND PRACTICE

1. Discuss how Corporate and Human Resource strategies can be effectively aligned.
(100 marks)
2. When joining an organisation, everyone subscribes to a psychological contract. Discuss.
(100 marks)

SECTION B: LEADING AND MOTIVATING TEAMS

3. Leadership is defined as "the process whereby one individual influences other group members towards the attainment of defined organisational goals" (Baron and Greenberg 1990). Critically analyse the role of the leader as 'influencer', making reference to appropriate models and theories.
(100 marks)
4. 'Goal theory suggests that individuals' goals, or intentions, play an important part in determining those individuals' behaviour'. Discuss.
(100 marks)

SECTION C: LEARNING AND DEVELOPMENT

5. Assess whether knowledge of learning styles can enhance an individual's learning capability.
(100 marks)
6. 'The twenty-first century is the knowledge and information era'. Discuss.
(100 marks)

SECTION D: PERFORMANCE AND REWARD

7. In your role as an HR Consultant, write a briefing paper which identifies and evaluates the mechanisms to support and measure performance.
(100 marks)
8. In preparation for the annual pay review, the HR Director has asked you to write a briefing paper which investigates the macro and micro environmental variables that might impact on the development of effective reward systems in the organisation.
(100 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT
ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT
ADMINISTRATIVE SYSTEMS IN THE ORGANISATION

7th June 2007, TIME 09.30 – 12.30

Time Allowed: 3 hours to answer FOUR questions. This paper is divided into four sections. Graph paper is included in the centre of the exam script.
ONE QUESTION MUST BE ATTEMPTED FROM EACH SECTION.

Allocation of marks as shown on the paper.

SECTION A: PROBLEM SOLVING AND ANALYSIS

1.
 - i) Evaluate the role of senior managers in the decision making processes throughout an organisation.
(70 marks)
 - ii) Provide examples of the types of decision making in which senior level managers might be active participants.
(30 marks)
2. Evaluate the strategies that organisations might use to arrive at decisions under conditions of uncertainty.
(100 marks)

SECTION B: DESIGNING EFFECTIVE SYSTEMS

3. Evaluate and compare the effectiveness of the traditional Systems Development Life Cycle and Rapid Application Development techniques in the design of a user friendly system.
(100 marks)
4. Provide an evaluation of the effect on 'an organisation's' performance by the introduction of Service Level Agreements (SLAs) between departments within an organisation.
(100 marks)

SECTION C: PERFORMANCE IMPROVEMENT AND MONITORING

5. Evaluate the effectiveness of the European Foundation for Quality Management excellence model in improving the performance of large organisations.
(100 marks)
6. 'Organisations that develop new techniques for organisational performance improvement can restrict the uptake of their techniques by attempting to control the community with high fees for memberships and publications'. Discuss.
(100 marks)

SECTION D: SYSTEMS APPROACHES AND MODELS

7.
 - i) Evaluate the inputs to, and outputs from a financial management system, using the perspective of the manager of an operational unit.
(50 marks)
 - ii) Using the evaluation from part i) as the basis, demonstrate the feedback control that is provided by a financial management system.
(50 marks)

- 8.
- i) Using an organisation known to you as a model system, determine the boundaries of the system and three of its sub-systems, justifying your decisions.
(60 marks)
 - ii) Provide a detailed illustration of the elements comprising the environment of the system, discussed in **(one)** above.
(40 marks)

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT

ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

CASE STUDY 2

8th JUNE 2007, Time: 09.30 – 12.30

Scenario

Time Allowed: 3 hours

Allocation of marks as

Answer all FOUR QUESTIONS.

shown on the paper.

Graph paper is included in the centre of the examination script.

HEALTHYGLOW RETAIL

Healthyglow Retail is a medium sized private limited company. It was set up over twenty years ago to sell the 'Fit for Health' range of health supplements, sports foods, vitamin additives and fitness equipment. Originally established with two shops, formed by a partnership between Ken Noone and Jennifer Coulston, the organisation has now grown into a business with two distribution depots, one for each type of product, and eighty retail outlets, serviced through four area managers from a centrally located head office providing administrative and business support for the organisation as a whole. These functions are supported by an Information Services section responsible for systems design and the operation of hardware and software technological support services for all parts of the organisation (see appendix 1) Employing 680 staff of whom 260 are full-time and 420 part-time, Healthyglow is present in a range of towns and cities within 200 miles of its head office. All products are bought in pre-prepared, and the ranges added to and updated as new and approved supplements and equipment become available. The company has no manufacturing and product-testing base of its own.

Healthyglow operates in an extremely competitive sector of the sports and fitness market, with its products positioned between supermarket own brands and more specialist upmarket suppliers. Further and intensifying competition is coming from internet and television channel based business and shopping, which Healthyglow is not involved with. All this has adversely affected Healthyglow's profitability, turnover and market share over the past three years (see appendix 2) in what is an expanding sector of the market. It is against this background of a deteriorating performance within a fitness market growing around 5% per year, that Managing Director and Chief Executive Ken Noone has called a special meeting of directors in charge of the main departments (see appendix 2). These directors are also the shareholders in the limited company formed fifteen years ago out of the original partnership. No one director has a controlling interest in the business.

Opening the meeting, Ken summarised the current position of the company. "The last three year's performance have been clearly unsatisfactory, we've been losing market share despite having a reputable brand, and it can't continue. We're an old fashioned type of company believing in giving our customers good service, competitive pricing and quality products. Somehow though, this alone isn't enough to compete in today's market. We're losing out across the board and I want us to consider our options. Simon, as Finance Director, I'd first like you to summarise our position".

Simon Tonkin shuffled his papers and began his report. "Its grave news, sales figures this quarter are little better than last, despite the effort and expense that marketing's put into the promotional campaign and new packaging of the products. Looking ahead at the sales forecast, if anything it's going to get worse, down by 0.02% next quarter".

At this, Jennifer Coulston the Marketing Director, stepped in and added "You should all be aware that Activefit, a similar type and size of company, are about to introduce their new and exciting range of supplements and fitness machines. As our direct competitor, their bold and aggressive advertising is likely to hit us quite hard in the high street".

Max Naismith, Operations Director cut in 'so why aren't we matching them, Where are our ideas? Why can't our staff be as creative and imaginative as Activefit's seem to be? Whenever I'm around the shops or in the depots, our staff just seem to want to keep their heads down and get on with what they're doing. Even the managers wait for instructions from above, and their main concern is to follow procedure. It's as if they're afraid to take a risk or put forward an idea in case they're criticised. I'm sure there's a wealth of knowledge and ideas just waiting to be heard, for the organisation to learn from. If so, our staff are certainly reluctant to share them. Our organisation structure is well defined and clear-cut in terms of reporting. Staff know whom to go to up the line when they need a decision, so the power to take real decisions that can affect their own area of activity isn't really needed. We're like a family, and so long as staff do what they're told and operate the systems and procedures then we should get along just fine. After all, it's the way we've always done things around here!"

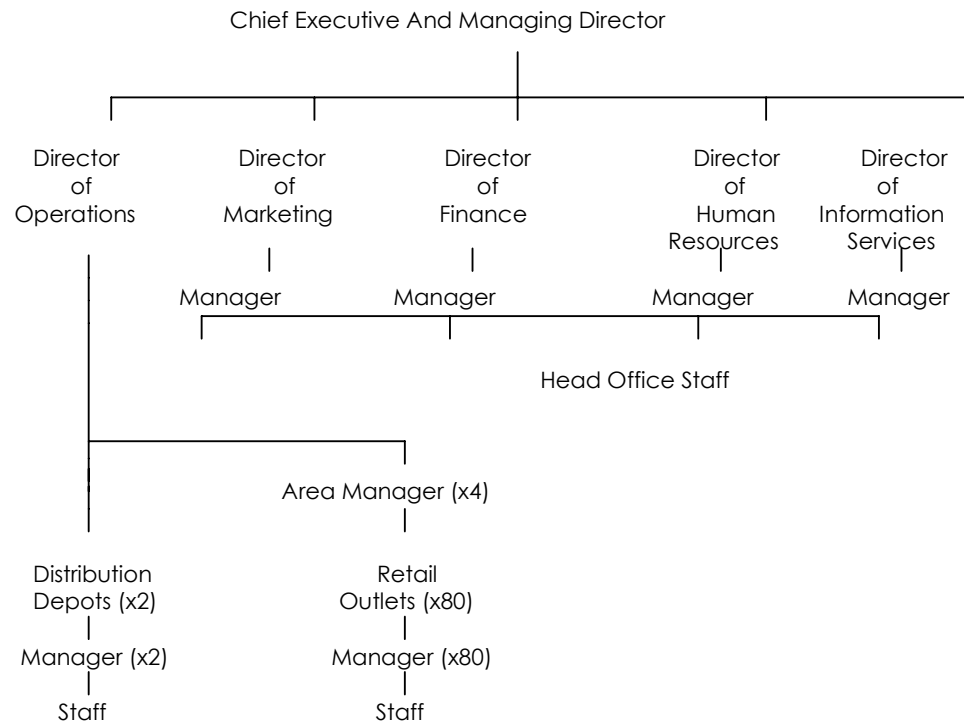
All this was too complacent for Mary Stanton, Human Resources Director. She had worked hard with her staff to deliver training in the field on customer service and company systems, but it didn't seem to be paying off in performance terms. She cut in. "Max, it's this approach and attitude that's slowing down our response to customers, ability to respond to today's global business world, make the most of the ideas and imagination of all our staff, encourage their suggestions and embed all this learning in Healthyglow. Sara, have you any thoughts on this?"

Sara Jester, Director of Information Services thought carefully before replying. "We need to put a glow back into the healthy. What has been strength in the company's culture now seems to be working against it. Systems and procedures need overhauling and updating. Our systems and resources must be carefully configured in line to support the company's goals and objectives. This will involve us in both hard and soft systems thinking. That's what administration is all about at the strategic level. At the moment, they're not linked up to any great extent. For instance, we've separate systems for ordering stock from suppliers, controlling it in the stores, and distributing it to our retail outlets. We get feedback on replenishment from point of sales, but there's no integrated e-link with supplier orders, customer purchases, returns and feedback. The organisation's website is purely factual, providing information about the location of outlets, product ranges and job opportunities. On-line shopping is non-existent. All this relates to strategic issues about the direction of the company. They're all integrated like links in a chain from producer to consumer. We need to think like this and avoid compartmentalism if Healthyglow is going to prosper. In short, we need a proper database management system to link our users with the data, and integrate our activities with business objectives".

There would be more to come. That morning, Ken Noone had been sounded out by his opposite number in Activefit, also a private limited company, as to the possibility with the authority of its directors, of a merger with or takeover by Activefit. Both Chief Executives knew it was in the long-term interest of their companies to grow in size, the question was how? Also pressing in the case of Healthyglow was the need to increase staff involvement and encourage their ideas for improvement.

At this, Ken suggested the meeting be adjourned for a short break while he thought about the implications of what had been said and how to break the news about Activefit. One way or another, Healthyglow faced a change in direction. Internally there were a number of issues that appeared to be holding back its growth and performance, which they didn't seem to be learning from. Externally, they were a relatively small player with a similar market share to Activefit of 4%, in what was an increasingly competitive and aggressive UK market. Internationally, sales of products were non-existent, and Healthyglow had not promoted this area of business. Through Activefit, an opportunity had presented itself for the directors to take a bold decision to take the business forward, though at the expense of the company's autonomy. What though if a potential merger turned into a threatened takeover if his fellow directors were divided on what to do? How this might they react and what effect could it have on the relations between them?

APPENDIX 1



APPENDIX 2

	<u>03</u>	<u>04</u>	<u>05</u>
	£000	£000	£000
Turnover	25,200	25,933	26,685
Operating Profit	3,024	3,112	3,202
Market Share	4.2%	4.1%	4.0%

NOTES

In dealing with this case you are requested to:-

- Make clear any assumptions you feel necessary
- Make clear any local circumstances if appropriate to your case

THE INSTITUTE OF ADMINISTRATIVE MANAGEMENT

ADVANCED DIPLOMA IN ADMINISTRATIVE MANAGEMENT

CASE STUDY 2

8th JUNE 2007, Time: 09.30 – 12.30

QUESTIONS

Time Allowed: 3 hours

**Allocation of marks as
shown on the paper.**

Answer all FOUR QUESTIONS.

Graph paper is included in the centre of the examination script.

1. Evaluate the design of Healthyglow's organisation structure in the context of enabling effective responses to changing market conditions.
(100 marks)
2. Discuss how indicators of Healthyglow's performance can assist the company to develop its business.
(100 marks)
3. Using strategic thinking to analyse the impact of e-business on Healthyglow.
(100 marks)
4. Examine the contribution of systems methodologies for identifying and resolving human and administrative problems within Healthyglow.
(100 marks)