

**QUESTION 1**

a) Forms of communication in business are:

i) **Employee handbook**

This is given to new employees during orientation programmes. It gives the employee complete information about the business as its products, nature of business, clients etc.

ii) **Notice/Bulletin Boards**

These boards are used to display cuttings from newspapers, magazines, honours, marriages, transfers and other events that took place, taking place or will occur in future in the live of the business and it's employees.

iii) **Memo**

These are letters used within the organization and are only for employees. They are used to give information on various issues of importance such as changes in procedures, policy, rule etc.

iv) In-house Magazines/Journals

These are published within a period. For example monthly and they are to keep staff updated about latest developments in the business. They include information on social issues, achievements, promotion, retirements and honour.

v) Suggestion boxes

vi) Durbars

vii) Open day

viii) Seminar

ix) Reports

b) ***Autocratic Leadership Style***

Under this style of leadership, the leader makes all decisions. Power is centralized in the leader. Such leaders do not entertain any suggestions from their subordinates. An advantage of this style is that it promotes quick decision-making.

***Participative Leadership Style***

This style encourages group decision making. The leader gives instructions only after consulting the group.

An advantage is that it assists the leader to secure the cooperation of the group. Such leaders delegate assignments and ask for employees suggestions.

***Laissez – Faire Leadership Style***

This style believes in minimal supervision. The leader allows for maximum freedom to subordinates. Such leaders leave most decisions to their subordinates. They communicate with their subordinates frequently as the situation demands.

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### QUESTION 2

a) Human resource management is the function of attracting, developing and retaining the needed qualified staff to perform the organisational activities needed for the achievement of organisational goals.

b) Four roles of the human resource management in an organisation are:

i. **Recruitment and selection**

This involves the human resource officers striving to obtain a sufficient number of the right people at the right time from a pool of people who are interested in working with the organisation.

ii. **Training and development**

The human resource department has to assist the employee to improve his or her productivity by undergoing training and development programmes .

iii. **Employee orientation**

When a new employee joins the organisation, the human resource department assist the employee by initiating him or her into the organisation.

iv. **Appraising performance**

This is an activity which assists the manager or supervisor to determine whether employees are doing their job effectively and efficiently.

v. **Compensation**

It is the duty of the human resource unit to develop an equitable compensation system for both salaries and other benefits. This activity is necessary because inadequate remuneration makes it impossible to attract qualified employees. It also results in high staff turnover, poor morale and inefficient production.

vi. **Health and Safety**

Another activity of the human resource management is the provision of health and safety services to employees. The human resource unit has to ensure that conditions under which employees work are healthy. Offices for example have to be well ventilated and illuminated. The safety and health of employees is a responsibility of the human resource management.

c) Market Segmentation

It is a process of dividing a total or entire market into several submarkets with prospective customers who behave in the same way. Such customers have similar wants, and characteristics relating to their purchasing behaviour. Bases for segmentations are geographical, demographic, psychographic and product-related.

Market Targeting

This is selecting submarkets in the total market to focus on and design or develop strategies with which to reach them. Firms or organizations have to target markets that they can efficiently gain access to and serve. A target market consists of group of

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consumers with whom the business wants to create marketing exchange. Targeting a market makes increase the efficiency and effectiveness of efforts as appealing to the entire markets is often too costly.

### QUESTION 3

- a) Decision making is the process of recognising a problem or an opportunity and then dealing with it. It involves making a choice out of several alternative options that can enable the problem identified be solved or opportunity existing be taken advantage of.
- b) i. The decision making process starts with the identification of a problem or an opportunity. A problem arises when performance deviates from standard, and an opportunity is where an organisation sees a situation of which it can take advantage.
- ii. The next step in the process is the development of several alternative solutions to the problem. That is, alternative courses of action are generated.
- iii. The third step is the evaluation of the different courses of action generated. This is done by consideration of how realistic each alternative will be to solving the problem in terms of the objectives and resources available to the organisation.
- iv. Having critically evaluated the different strategies in terms of organisation's internal and external environments, the best solution is selected.
- v. The next thing is the implementation of the chosen strategy. Implementation is critical to the success of the decision. For successful implementation of the selected course of action, every employee must be clearly informed as to what is expected of them and the needed resources allocated as and when required.
- vi. The last step in the decision making process is the evaluation of the strategy chosen for implementation. This means assessing the outcome of the decision to determine whether or not it solved the problem as expected and, where necessary, corrective action taken.

### QUESTION 4

- a) An organisational chart is a visual representation of a business structure that shows job position and functions.
- b) The organisational chart shows specific job position.  
The chart shows the various divisions in a business.
- c) Two roles that managers perform in a business are:

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1) Interpersonal roles

This is manages relationship with others both within and outside the business. The manager has to perform this role due to his formal authority and status. An example is that the manager has to represent his or her business at signing of documents.

2) Informational role

The manger has to obtain information from both within and outside the business. Also, he has to share information with others. For example, managers act as spokespersons for the business as they send information to stakeholders outside the business.

### QUESTION 5

- a) Stakeholders are persons, groups and institutions with interest in an organization.

Primary stakeholders are those ultimately affected either positively or negatively by the activities of the organization.

Secondary stakeholders are those that are not directly related to and influential in the activities of the organization.

b) Primary Stakeholders

- Stockholders/shareholders
- Staff/employees
- Clients/customers

Secondary Stakeholders

- Tax administrators
- Governments
- Competitors
- Helps to resolve conflicts
- It helps in building and maintaining better working relations
- It assists the organization to use it's resources efficiently
- It assist in building and developing team spirit.

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### QUESTION 6

- a) Operations Management can be defined as the systematic design, direction and control of the process which transforms and services for both internal and external customers.

Total Quality Management is a philosophy that stresses three principles for achieving high levels of process performance and quality. These principles are customer satisfaction, employee involvement and continuous improvement in performance.

- b) i. Job production is a method of production where an organization uses all of its factors of production to complete one job at a time. This is feasible where products are all unique or they are being produced on a very small scale according to customer specification or order.
- ii. Batch production is the method of production where one operation is completed on a number of units of the product before they are then passed on to the next stage of the process.
- iii. Flow production is where production takes place as continuous process. The product flows from one process onto the next. This will usually happen where the product is standardized and can be made using a production line method.
- iv. Fixed-position layout is the arrangement in which a service or manufacturing site is fixed in place. Employees come with their equipment to the site to do their work. This is suitable where the product being made is heavy or difficult to move, for example assembling plants.

### QUESTION 7

- a) Decentralization

It is when relatively a lot of decisions are taken at the lower levels of a business or the division or operating units. Employees are allowed to work within broad guidelines provided they deliver results expected by management.

A common activity in all business is to make decisions. Decision making is centralized when the power to decide on issues is made by only top management. Businesses with a centralized structure do not delegate duties, and controls of activities reside with few people in the business, who make decisions at any given level in the business.

- b) Controls used in business are
- budgets
  - employee appraisal
  - log books

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Budget is an outline used by management to specify the resources that need to be used to achieve the goals set by the business. The budget shows the financial details of how strategies will be implemented. It also gives expenditures.

Budget is a control tool in business activities because it states the limit of financial resources needed for achieving goals.

### Employee Appraisal

Business uses resources to achieve its goals. These resources have to be used effectively and efficiently. One of these resources is labour provided by the employee. To achieve this goal, the employee's job or activities have to be appraised at the end of a period usually one year. Appraisal of one's work is a control tool because it acts as a check on work behaviour as performance appraisal provides a means of comparing actual employee performance with desired outcomes.

### Log Books

An important activity in any business is to keep records. Records provide information for decision making. Log books are used for such reasons as checking the movement of vehicles, the reporting time and departure time for employees. Log books act as control as they enable management to compare the actual behaviour to desired or expected behaviour.