

Unit 2

People in Business

Categorised

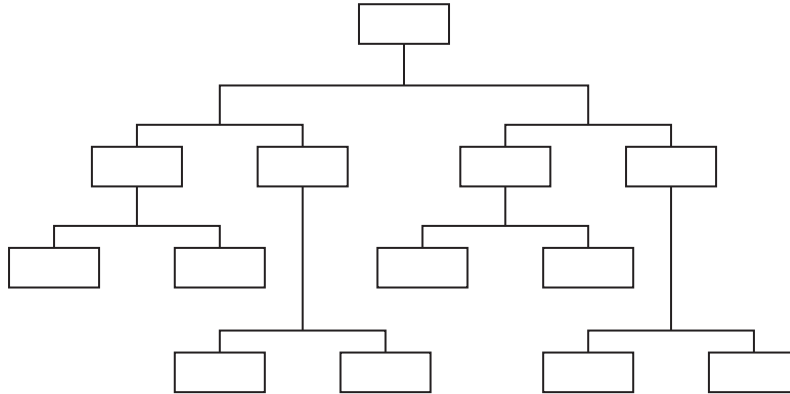
Past Papers

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- 5 Fig. 2 shows the organisational structure of ABC, a business that manufactures toys. As the business has grown, the management has found it difficult to maintain good internal communication and to control activities. ABC always recruits its senior managers from within the company.

Fig. 2: ABC's organisational structure



- (a) What is meant by the term 'internal communication'?

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 [2]

- (b) Identify **two** features of the organisational structure of ABC as shown in Fig. 2.

Feature 1:
 Feature 2: [2]

- (c) Identify and explain **two** reasons why managers may be reluctant to delegate tasks to employees in their organisation.

Reason 1:
 Explanation:

 Reason 2:
 Explanation:

 [4]

(d) Identify and explain **three** advantages to ABC of recruiting senior managers from within the business.

Advantage 1:

Explanation:

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Advantage 2:

Explanation:

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Advantage 3:

Explanation:

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..... [6]

(e) Recommend **two** ways in which communication could be improved in a large organisation. Justify your recommendations.

Way 1:

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Way 2:

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4 Wesso is a large manufacturing business. Many workers complain about poor communication in the business. Wesso pays its factory workers a basic wage plus a bonus. The Human Resources Director wants to introduce new working practices in its factories, such as making workers more flexible in their jobs. The aim is to improve productivity and cut costs. The trade union leader is opposed to these changes.

(a) What is meant by the term 'productivity'?

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..... [2]

(b) Identify **two** reasons why communication within a large business is often difficult.

Reason 1:
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Reason 2:
..... [2]

(c) Identify and explain **two** possible reasons why Wesso uses bonuses as a means of paying staff.

Reason 1:
Explanation:
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Reason 2:
Explanation:
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..... [4]

(d) Identify and explain **three** non-financial ways of motivating the staff in a business.

Way 1:

Explanation:

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Way 2:

Explanation:

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Way 3:

Explanation:

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..... [6]

(e) How can the management at Wesso persuade the trade union to accept the proposed changes in working practices? Justify your answer.

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3 Kemptown Fried Chicken is a chain of fast food restaurants. The business is unsuccessful because it is badly managed. There is no organisational structure. Job tasks and roles are unclear. The workers are demotivated and low paid. Communication in the business is poor and meetings are rarely held because the management think they are 'a non-productive use of time'.

(a) What is meant by the term 'organisational structure'?

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..... [2]

(b) What is meant by 'communication in the business is poor'?

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..... [2]

(c) Identify and explain **two** advantages of delegating tasks in an organisation.

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Advantage 1:
Explanation:
.....
.....
Advantage 2:
Explanation:
.....
..... [4]

(d) Identify and explain **three** reasons why meetings between managers and workers can benefit the business.

Reason 1:

Explanation:

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Reason 2:

Explanation:

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Reason 3:

Explanation:

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..... [6]

(e) How effective is money in motivating workers? Justify your answer.

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..... [6]

4 Cole Brokers is a medium sized company. The company provides a range of insurance products to customers around the world. It operates in a highly competitive market. Many insurance businesses are now using the Internet as a way to sell their products. The management of Cole Brokers has been looking at its current organisational structure. They think the span of control and chain of command need to be changed.

(a) What is meant by 'organisational structure'?

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..... [2]

(b) What is meant by 'chain of command'?

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..... [2]

(c) Identify and explain **two** possible disadvantages for a business of having a wide span of control.

Disadvantage 1:
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Explanation:
.....

Disadvantage 2:
.....

Explanation:
..... [4]

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(d) Identify and explain **three** reasons why effective communication within a business is important to the management.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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Reason 3:

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Explanation:

..... [6]

(e) The management of Cole Brothers think that the disadvantages of e-commerce are greater than the advantages to their business. Do you agree? Justify your answer.

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5 Sachs-Tech makes parts for the mobile phone industry. Sales have risen very quickly. The company needs a new factory to meet demand. The management is not sure where to build the factory. The company is currently looking to recruit three new production supervisors. The Human Resources manager, Manuel, is busy writing a job description and person specification for these supervisor roles.

(a) What is meant by a 'job description'?

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..... [2]

(b) Identify **two** possible features of a person specification.

Feature 1:
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Feature 2:
..... [2]

(c) Identify and explain **two** suitable places where Manuel could advertise the vacancies.

Place 1:
.....
Explanation:
.....
Place 2:
.....
Explanation:
..... [4]

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(d) Identify and explain **three** factors that Sachs-Tech should consider when deciding where to locate a new factory.

Factor 1:

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Explanation:

.....

Factor 2:

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Explanation:

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Factor 3:

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Explanation:

..... [6]

(e) The Finance manager is worried that the business might be growing too quickly. Do you think he is right to be worried? Justify your answer.

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..... [6]

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..... [2]

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Explanation:

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Disadvantage 2:

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Explanation:

..... [4]

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Use

Reason 1:

.....

Explanation:

.....

Reason 2:

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Explanation:

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Reason 3:

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Explanation:

..... [6]

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.....
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..... [2]

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Feature 1:
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Feature 2:
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Place 1:
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Explanation:
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Place 2:
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Explanation:
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Factor 1:

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Explanation:

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Factor 2:

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Explanation:

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Factor 3:

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Explanation:

..... [6]

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1 IRKAM is a company that produces high quality doors for hotels and offices. The company currently uses job production. The Managing Director, Abdul, believes that quality control is important. He is looking for ways to increase productivity. All workers receive on-the-job training. Abdul is thinking of including off-the-job training as well.

(a) What is meant by 'productivity'?

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.....
..... [2]

(b) What is meant by 'on-the-job training'?

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.....
..... [2]

(c) Identify and explain **one** advantage and **one** disadvantage of off-the-job training for IRKAM.

Advantage:
.....

Explanation:
.....

Disadvantage:
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Explanation:
..... [4]

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(d) Identify and explain **two** reasons why quality control might be important to IRKAM.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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..... [6]

(e) Over the past three years there has been a large increase in demand for IRKAM's doors. Do you think job production is still the best method of production for IRKAM? Justify your answer.

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..... [6]

5 K & P is a large group of shops selling televisions. The directors of K & P use an autocratic management style. Spans of control are narrow and communication is only one-way. Many workers leave K & P each year and this is a problem for the business. The motivation of the workforce is low as workers feel they are unimportant.

(a) What is meant by 'autocratic management style'?

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..... [2]

(b) What is meant by 'span of control'?

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..... [2]

(c) Identify and explain **two** disadvantages of one-way communication for K & P's management team.

Disadvantage 1:
.....

Explanation:
.....

Disadvantage 2:
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Explanation:
..... [4]

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(d) Identify and explain **three** methods that K & P could use to improve worker motivation.

Method 1:

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Explanation:

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Method 2:

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Explanation:

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Method 3:

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Explanation:

..... [6]

(e) Should K & P try to reduce the number of workers leaving each year? Justify your answer.

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3 Emir is the Production manager at a large food production factory. He wants to lower average cost to help the business remain competitive. All workers are paid using time rate. Emir believes that good internal communication is important. The company has decided to stop importing raw materials as this causes a lot of problems. Emir must choose a suitable method of communication to tell the overseas suppliers of his decision.

(a) What is meant by 'internal communication'?

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..... [2]

(b) Identify **two** suitable methods of communication Emir could use to tell the overseas suppliers of his decision to stop importing raw materials.

Method 1:
Method 2: [2]

(c) Identify and explain **two** payment methods for workers that this business could use (other than time rate).

Method 1:
Explanation:
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Method 2:
Explanation:
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..... [4]

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- (d) Identify and explain **two** possible problems of importing raw materials for this food production business.

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Use

Problem 1:

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Explanation:

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Problem 2:

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Explanation:

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..... [6]

- (e) Explain **two** ways in which the Production manager could reduce average cost. Recommend which way should be used. Justify your answer.

Way 1:

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Way 2:

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Recommendation:

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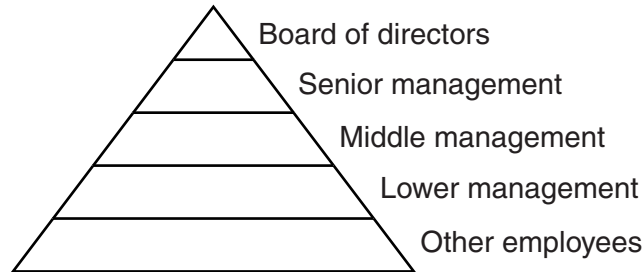
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- 4 Grenada makes meat products such as pies, burgers and ready-made meals. It employs 10000 workers. It operates in many countries, each with different laws and traditions. Its organisation structure is tall and hierarchical. Spans of control are narrow and there is little delegation. Some middle managers complain that they are not allowed to make important decisions. The directors want to improve communication with employees.

Figure 2: Organisational structure of Grenada



- (a) Identify **two** features of a 'tall and hierarchical' organisation structure.

Feature 1:

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Feature 2:

.....[2]

- (b) Use Figure 2 to explain what is meant by 'chain of command'.

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.....[2]

- (c) Identify and explain **two** appropriate ways that the directors of Grenada can use to communicate with employees.

Way 1:

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Explanation:

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Way 2:

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Explanation:

.....[4]

(d) Identify and explain **two** disadvantages to Grenada of operating in a number of different countries.

Disadvantage 1:

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Explanation:

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Disadvantage 2:

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Explanation:

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.....[6]

(e) Do you think that Grenada would benefit from greater delegation in its decision making? Justify your answer.

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.....[6]

4 Genel manufactures clothes. The company uses an autocratic style of management. It employs a large number of workers and pays low wages. Many employees leave the company each year but they are easily replaced. Working conditions in the factories are poor. Health and safety is ignored and long hours are worked. Employee motivation is low and employee productivity is falling.

(a) What is meant by an ‘autocratic style of management’?

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.....[2]

(b) Identify **two** possible reasons why Genel ignores health and safety in its factory.

Reason 1:
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Reason 2:
.....[2]

(c) Identify and explain **two** ways in which Genel would benefit from a more motivated workforce.

Way 1:
.....
Explanation:
.....
Way 2:
.....
Explanation:
.....[4]

(d) Identify and explain **two** ways that Genel could use to improve employee productivity in its factories.

Way 1:

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Explanation:

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Way 2:

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Explanation:

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.....[6]

(e) Do you think Governments should introduce laws to protect employees' interests in businesses such as Genel? Justify your answer.

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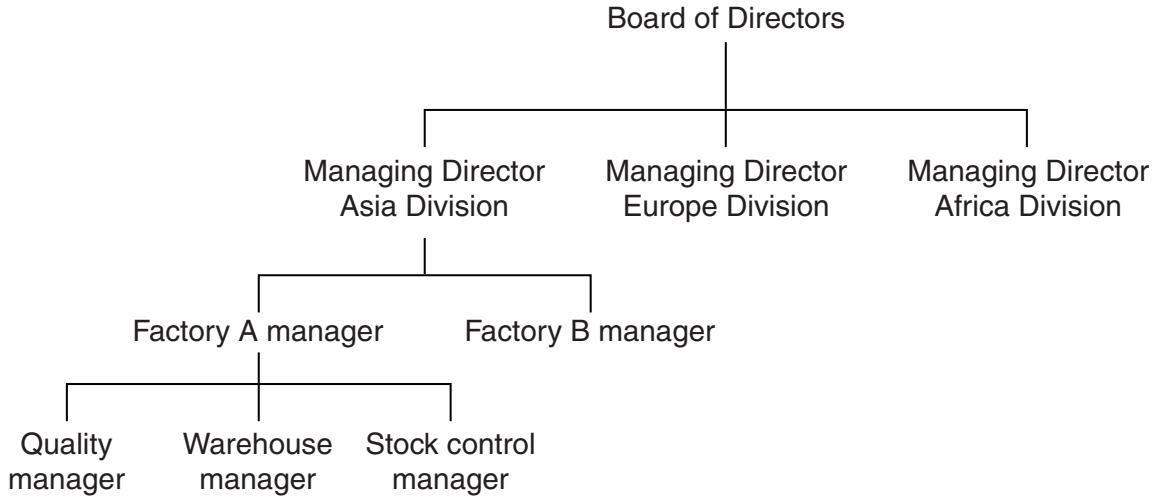
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- 5 Zalpha is a multinational company. It manufactures agricultural machinery and employs a large number of people. Figure 1 shows a simplified organisation chart for the business. The business decision making is centralised and some employees complain of poor communications within the company.

Figure 1



- (a) What is meant by a 'multinational company'?

.....

[2]

- (b) Using only the information in Figure 1:

- (i) Identify the span of control of the Managing Director of the Asia division.

.....[1]

- (ii) How many levels are there in the chain of command?

.....[1]

- (c) Identify and explain **two** possible reasons why Zalpha has poor internal communications.

Reason 1:

Explanation:

Reason 2:

Explanation:
[4]

(d) Identify and explain **two** advantages to Zalpha of using centralised decision making.

Advantage 1:

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Explanation:

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Advantage 2:

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Explanation:

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..... [6]

(e) Do you think that multinational companies such as Zalpha benefit the countries in which they operate? Justify your answer.

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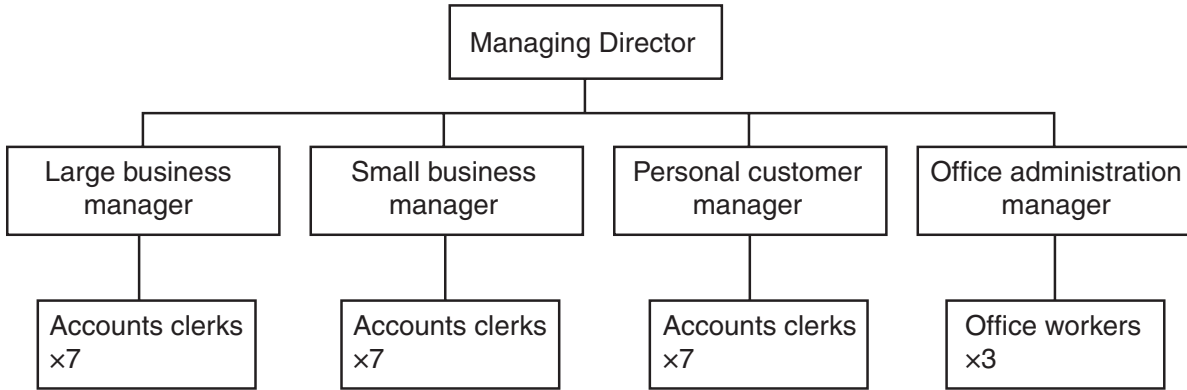
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- 1 Tim is the Managing Director of TPW, which is a successful accountancy business. It prepares the accounts for small and large businesses and personal customers. Tim believes in a democratic management style. Employees are paid by time rate. Tim plans to change how employees are rewarded. Tim wants to invest in new information technology in the office. He is not sure that this will help the business increase its profits.

Fig. 1: TPW organisational chart



- (a) What is meant by 'paid by time rate'?

.....

 [2]

- (b) Calculate the following.

The span of control for the Managing Director: [1]

The number of levels in the hierarchy: [1]

- (c) Identify and explain **two** advantages to TPW of Tim's democratic management style.

Advantage 1:

Explanation:

Advantage 2:

Explanation:
 [4]

- (d) Identify and explain **two** methods (other than time rate) that TPW could use to reward its employees.

For
Examiner's
Use

Method 1:

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Explanation:

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Method 2:

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Explanation:

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..... [6]

- (e) Do you think that introducing new information technology in the office will help improve the profitability of TPW? Justify your answer.

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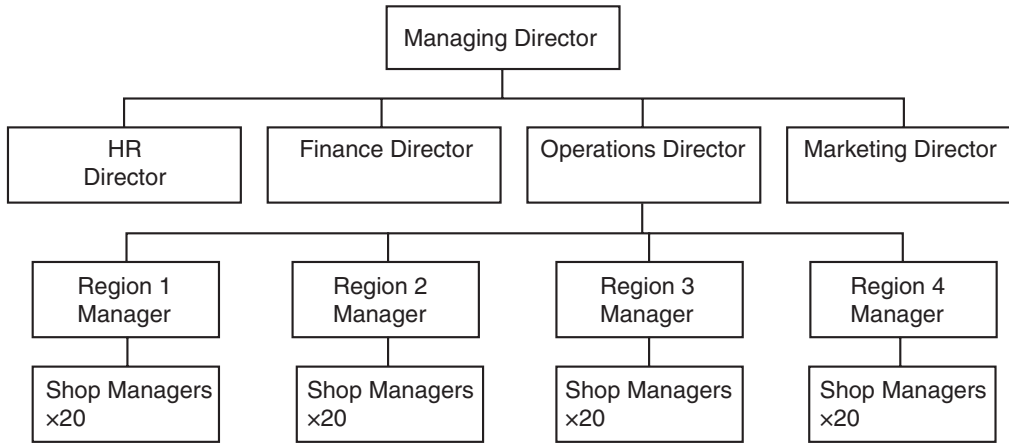
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- 1 LEK owns 80 electrical shops. It sells products such as cell (mobile) phones and televisions. The Marketing Director believes offering customers a choice of products helps LEK to be competitive. LEK must use suitable ways to communicate with its customers. LEK’s directors are planning a takeover of a competitor. This competitor owns 40 shops and operates in the same 4 regions as LEK.

Fig. 1: LEK organisational chart



- (a) What is meant by ‘span of control’?

.....
 [2]

- (b) Identify **two** factors (other than offering choice and having good communication) which could help make LEK more competitive.

Factor 1:

 Factor 2:
 [2]

- (c) Identify and explain **two** benefits to LEK of having an organisational chart.

Benefit 1:

 Explanation:

 Benefit 2:

 Explanation:
 [4]

3

- (d) Identify and explain **two** suitable methods of communication that LEK could use to communicate with its customers.

Method 1:

Explanation:

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Method 2:

Explanation:

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..... [6]

- (e) Do you think that the takeover of the competitor would benefit LEK? Justify your answer.

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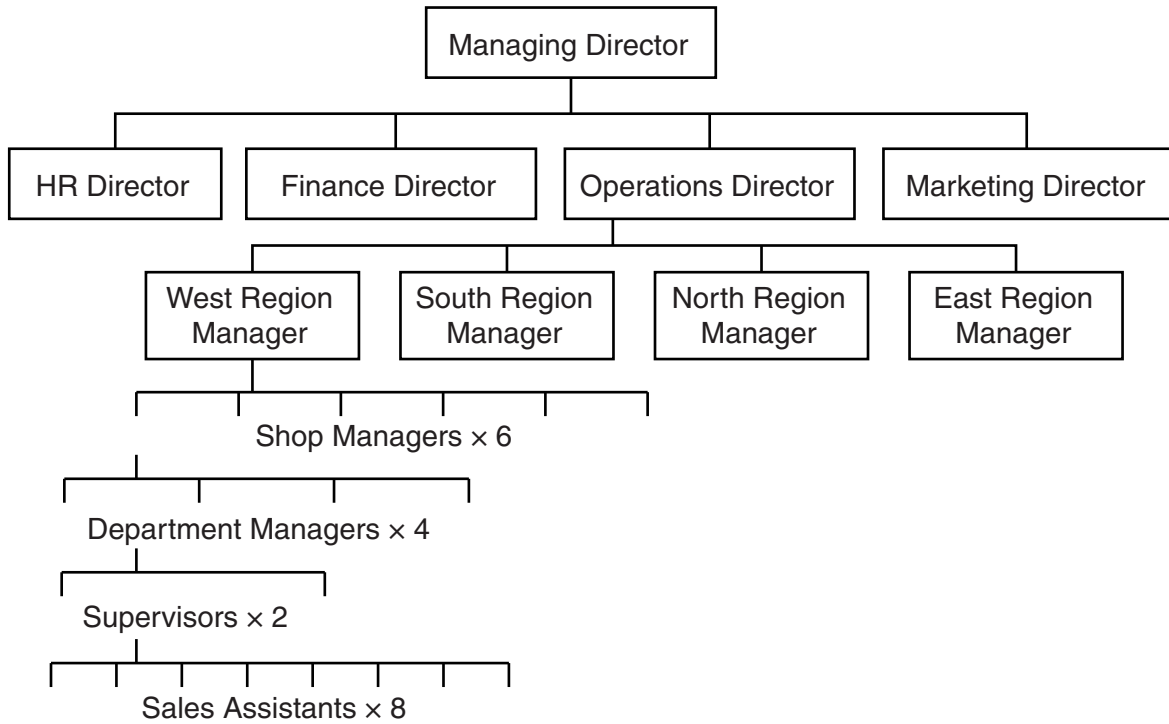
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- 5 Callow is a large retail business based in country X. ‘Our employees are an important stakeholder’, said the Managing Director. ‘To make sure we stay profitable we need to motivate them.’ Callow trains all of its shop employees by using off the job training.

Fig. 1: Callow Organisation Structure



- (a) Identify **two** stakeholder groups, other than employees.

Stakeholder group 1:

Stakeholder group 2: [2]

- (b) Identify **two** functions of management that each shop manager will have to perform.

Function 1:

Function 2: [2]

- (c) Identify and explain **two** features of Callow’s organisational structure.

Feature 1:

Explanation:

.....

.....

Feature 2:

Explanation:

.....

..... [4]

- (d) Identify and explain **two** possible methods that Callow could use to improve the motivation of its employees.

Method 1:

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Explanation:

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Method 2:

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Explanation:

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.....[6]

- (e) Do you think it is a good idea for Callow to use off the job training for all its shop employees? Justify your answer.

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