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CPA ADVANCED LEVEL

CIFA ADVANCED LEVEL

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LEADERSHIP AND MANAGEMENT

December 2021.

Time Allowed: 3 hours.

Answer question one and any other four questions. Marks allocated to each question are shown at the end of the question.

QUESTION ONE

EFD LTD.

EFD Ltd is a cross-listed electric power distribution company. The company is planning to diversify into renewable and clean energy sources. When JL took over as CEO in 2020, EFD was a traditional, hierarchical, command-and-control workplace – a bureaucratic organisation. This is one of the few businesses in the region that is still able to operate a traditional company that provides control and stability. At the top of the organisational structure (below the board of directors) is the CEO and senior management. In the middle of the structure are middle managers and lower-level managers and at the broad base are employees. At EFD, top management make all the major decisions which are communicated to middle-level and low-level management. These managers must then implement the decisions among the rank-and-file workers. However, input is required or solicited from employees though ultimate authority rests with top management.

Through a preliminary study report on current management practices at EFD, JL is amazed by the primary advantage of a traditional organisation structure in 21st Century. It keeps decision-making authority in the hands of a few people within the business and in doing so, it eliminates confusion among employees about who is in charge and provides a clear message about what workers are expected to accomplish in the performance of their duties. Other key findings of the study are as follows:

1. A bureaucratic context as found in EFD is characterised by job specialisation which enables employees to have a well-defined rules of productivity.
2. When the bureaucratic approach is implemented effectively, the impersonal nature of interactions that are established leads to a number of benefits. Equality is emphasised and stressed; friendships do not influence decisions that are made; and, the rules and regulations ensure that there are precise instructions for job functions and expectations.
3. Top managers in this company are in a position to make tough decisions although guided by efforts of the respective workforce.
4. Employees are empowered to make decisions without fear of the consequences as the decisions they make correspond to what the managers want.
5. The lines of communication are open, giving the organisation an opportunity to develop, and involving all the employees in the decision making process.
6. The idea of job specialisation brings some benefits to the organisation as it generates efficient, repetitive workflow.
7. Each department has particular powers enabling managers to monitor their employees more easily and ensuring that they stick to their tasks.
8. The employees are conversant of what is expected of them and what their powers are within the organisation.
9. The managers are organised into hierarchical levels where each level of management is in charge of its employees and overall performance.
10. Bureaucratic power is extremely autocratic and strict observance to rules may prevent the implementation of appropriate measures required to accomplish organisational objectives.
11. Employees hired get promoted based on their unskillfulness – a proficient manager will continue to be promoted until the moment they are incapable thus remaining to that position until they retire or die.
12. Due to the applicable rules and regulations, there is less autonomy to act or make personal decisions.

13. Adapting to change in this type of organisation is very challenging – it takes time to come up with new rules, regulations and strategies to the new contexts that have transformed.
14. The employment to an office and the management of the various levels in this organisation are based exclusively on the grounds of technical proficiency.
15. Bureaucratic rules and regulations seem to be obstructive when unexpected situations occur.
16. In a subsequent strategy meeting with all the managers, JL makes the following observations:
17. That there are certain elements of management which are timeless, but environmental shifts also influence the practice of management.
18. That in recent years, rapid environmental changes have caused a fundamental transformation in what is required of effective managers.
19. Technological advances such as social media and mobile apps, the rise of virtual work, global market forces, the growing threat of cybercrime, and shifting employee and customer expectations have led to a decline in organisational hierarchies and more empowered workers which calls for a new approach to management that may be quite different from managing in the past.

A decision is made during the meeting that instead of trying to promote ideas and innovations through traditional structures, EFD should align its structure in such a way that ideas and innovations can prosper. A committee of five members drawn from the three levels management is formed to study the shift from the traditional management approach to the new management competencies that are essential in today's environment.

Required:

As a member of the strategy committee you are required to provide data by answering the following questions that relate to your terms of reference and in the context of the above case:

- (a) Through secondary research, identify and explain five management competencies that are becoming crucial in today's face-paced and rapidly changing world. (10 marks)
 - (b) Compare and contrast Max Weber's bureaucratic theory and systems thinking in the context of management of an organisation. (10 marks)
 - (c) Illustrate the process of how managers use resources to attain organisational goals through the functions of planning, organising, leading and controlling and briefly explain each function. (10 marks)
 - (d) Advise the CEO of EFD on sources of leader power and the tactics that leaders use to influence others especially in time of organisational change. (10 marks)
- (Total: 40 marks)**

QUESTION TWO

- (a) Briefly discuss how social, political, economic and technological forces in the broader society influence organisations and the practice of management over time. (8 marks)
 - (b) Prior to opening a business, an entrepreneur should prepare a business plan.

Outline the key characteristics that successful business plans generally share. (7 marks)
- (Total: 15 marks)**

QUESTION THREE

- (a) There are many benefits of franchising but there are also a number of drawbacks.

List and briefly explain the advantages and disadvantages of franchising. (7 marks)
 - (b) Using the balanced scorecard approach, illustrate and briefly explain how managers use strategy maps to align organisation goals. (8 marks)
- (Total: 15 marks)**

QUESTION FOUR

- (a) The competing concepts under which organisations have conducted marketing activities include the selling concept and the marketing concept among others.

Compare the main features of the selling and marketing concepts.
- (b) The 4 Ps of marketing are the key elements that must be united to effectively foster and promote a brand's unique value and help it stand out from competition.

Differentiate those elements which have withstood the test of time and examine how they apply to digital marketing. (8 marks)

(Total: 15 marks)

QUESTION FIVE

(a) Analyse the key dimensions of the classical, administrative and political models of decision making. (7 marks)

(b) Evaluate the benefits of the following innovative decision making approaches:

(i) Brainstorming. (2 marks)

(ii) Evidence-based decision making. (2 marks)

(iii) Engaging in rigorous debate. (2 marks)

(iv) Avoiding groupthink. (2 marks)

(Total: 15 marks)

QUESTION SIX

(a) Every organisation must change and innovate to survive.

Assess why many people prefer the status quo and tend to resist change. (7 marks)

(b) Managers can use specific strategies to overcome resistance and more smoothly put changes into action.

Discuss five successful methods for dealing with resistance to change indicating the circumstances under which each method is appropriately used. (8 marks)

(Total: 15 marks)

QUESTION SEVEN

(a) The four phases of project management have distinct qualities but they overlap.

Provide an overview of each phase and the activities involved. (9 marks)

(b) Differentiate between “project report” and “project appraisal”. (6 marks)

(Total: 15 marks)

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