

Unit 1.7

Organizational planning tools (HL Only)

Task 1 – Complete the missing words...

Organizational planning tools provide a systematic framework to deal with problems, concerns or issues faced by a business so that rational and sound decisions are made. For example, **force field** analysis is used to deal with the forces for and against change. A **decision tree** is a visual representation of the probable outcomes (in monetary terms) resulting from the various decisions that a business can pursue. Most decision making models consider the various opinions and beliefs of a firm's **stakeholders** (such as the shareholders, managers and employees).

Business decisions are not always made purely on facts and quantifiable reasoning. Instead, key decisions are often based on gut feelings, emotions, **intuition** (or instinct) and whether managers are comfortable with their decisions, irrespective of any potential financial gains. Nevertheless, managers tend to consider both the benefits (financial and non-financial) and the costs before making any final decisions. Decision-making is also likely to be affected by various **management** styles, e.g. it is probable that autocratic managers make decisions in a different manner from democratic or laissez faire managers.

Task 2 – True or False?

	True / False
a.	F
b.	T
c.	T
d.	F
e.	T
f.	F
g.	T
h.	T
i.	T

Task 3 – Multiple Choice

1. B. They are based on important intuitive and qualitative factors that affect decision making
2. C. They ignore the financial costs of investment decisions
3. C. It places a monetary value on key decisions
4. D. External shocks
5. D. Identify key barriers to change
6. C. Subjective as weights can be skewed in favour of management preferences
7. B. Hold a staff meeting to explain why the changes are necessary
8. A. Gaining the support for change from all staff members
9. B. Driving forces
10. B. Adaptive cultures
11. D. Empowerment of staff
12. B. Individuals being unable to reach their higher level needs, such as recognition or self-actualization
13. D. The time scale is shown on the vertical axis of the chart
14. B. Tasks that can be carried out simultaneously are combined on a bar in the chart
15. A. Identify the shortest amount of time needed to complete a particular project