COMMERCE PRESENTATIONS AND PUBLICATIONS

VCE BUSINESS MANAGEMENT UNITS 3/4

2024

Practice examination B

SUGGESTED RESPONSES AND ADVICE

Section A

Question 1 (15 marks)
ImagiLab is a new business start-up that specialises in digital media and graphic design. The owner, Alex Thompson, is worried about a recent rise in resignations from the business. Many staff leaving have complained about the general manager, Jordan, who is usually not involved in day-to-day operations, provides minimal support to employees and offers no direction. Staff have also suggested that they feel undervalued by the business. Despite the high rate of absenteeism, Jordan does not recognise any problem, which is further aggravating the dissatisfaction of staff.

a. Define the term 'rate of staff absenteeism'. **2 marks**

Advice 1: The use of the command term 'define' here simply requires students to provide meaning for a term. Students should try to write a definition that does not make use of the term itself. Straight definition questions do not necessarily require examples. However, it is often worthwhile providing an example to convince assessors that the student really does understand what the term means via its application to a real world or contemporary setting.

Advice 2: Learning definitions is an important part of preparing for the Business Management exam. A recent Business Management Examination Report stated that "there are some preparation tasks that students could perform that would improve their performance. For example, a glossary that precisely and accurately defines key terms will assist students to gain better marks when answering those questions requiring a definition."

Advice 3: Two-mark definition questions have featured on the previous six exams in a row (2018, 2019, 2020, 2021, 2022 and 2023) – these require students to be precise with use of terminology and typically provide two pieces of information related to the term in question. Generally, students have been rewarded with full marks when making use of key words in their definitions. This expectation is true for this practice exam question (where two marks has been designated to the definition in the marking scheme).

Advice 4: On the 2021 VCAA Business Management exam, students were asked to define what is meant by the 'rate of staff absenteeism' (Question 1, Section B). The question was not answered well, with a total of 44 per cent of students scoring zero and an average mark of 0.7 out of 2. Many students were not able to provide a clear and specific definition of the rate of absenteeism, and many did not make any reference to the case study material (because the question was in Section B, students were expected to make use of the case study material). This current question, appearing in Section A, does not require use of the case study material.

- 1 mark for stating that rate of staff absenteeism relates to staff not going to work (or similar)
- 1 mark for stating that rate of staff absenteeism relates to being scheduled to be at work, expected to be at work, rostered on at work (or similar)

Sample answer: *The rate of staff absenteeism refers to the number of employees who do not turn up for work when they are scheduled to do so.*

b. Identify the management style that Jordan has been using at ImagiLab. **1 mark**

Advice 1: This question asks students to 'identify' (or list) a management style. This command term is not commonly used on the VCAA Business Management exam, and if it does appear, it is generally used in combination with other command term, such as 'explain' or 'describe'. However, the command term 'identify' was used on its own on the exam in 2017 (Section B, Question 1 a). That question had a limited number of answers, so it is important to realise that such questions require answers that are concise and accurate.

Advice 2: This practice exam question is very similar to a question appearing on the 2005 VCAA Business Management exam (Question 1e) – along with a similar case study. The only acceptable answer to the question was 'laissez-faire', which is also the case for this question. References to 'not involved in day-to-day operations', 'minimal support to employees', and 'no direction' in the case study should lead students to this conclusion. On the 2005 exam question, 63 per cent of students scored zero, with an average mark of 0.4 out of 1 marks. This was largely because many students identified 'autocratic' as the management style, which is where management makes all decisions and dictates work methods without any input from employees. The manager in this case study is not making decisions and provides no direction, which are features of the laissez-faire style.

- 1 mark for stating that the management style being used is 'laissez-faire'

Sample answer: *Laissez-faire.*

c. Propose and justify a more appropriate management style that Jordan could use to improve the situation at ImagiLab. In your response outline two features of this style. 4 marks

Advice 1: The use of the task descriptor 'propose' here requires students to put forward and outline an appropriate management style that could be used to improve the situation at ImagiLab. Students then must point out the reasons or the arguments supporting the use of this management style (justify).

Advice 2: This question has been included in this practice exam because it covers key content from the study design; the study design lists the management styles as autocratic, persuasive, consultative, participative and laissez-faire. Any style other than laissez-faire could be proposed and justified as an appropriate style for improving the situation at ImagiLab

Advice 3: Questions related to management styles have appeared on 8 of the last 10 VCAA exams. In general, management style questions are answered reasonably well. For example, a question similar to the current question appeared on the 2015 exam (Question 1f) which asked students to recommend a more appropriate management style for the situation, describe two features of that style and justify the choice. Most students chose the 'consultative' or 'participative' management style. Students who did not score full marks did not justify their selection, or wrote a justification but did not provide features of the selected style. Despite this, the question was handled reasonably well by the majority of students, with an average of 3 marks out of 5, and 12 per cent of students scoring zero. The 2022 exam featured a very similar question, asking students to propose and justify an appropriate management style for the situation in the case study, referring to two features of the selected management style (Question 1c, Section A). Students who did not score full marks typically proposed an inappropriate management style, or did not provide features of the selected style. The average mark for this question was 3.2 out of 6, with 12 per cent of students scoring zero.

- 1 mark for proposing a relevant management style
- 1 mark for justifying the choice of management style, clearly linking it to the situation at ImagiLab
- 1 mark for outlining a feature of the selected management style
- Repeat for a second feature

Sample answer: *The consultative management style would be more appropriate for Jordan to use to improve the situation at ImagiLab. The consultative style is where management considers the opinions of employees before making decisions. Another feature of this style is open, two-way communication, with employees sharing their ideas with a manager who is willing to listen. The use of the consultative style would resolve many of the problems at ImagiLab. For example, the increased involvement of employees in decision-making allows them to have some ownership and/or control of the way in which the business is run. Consequently, they should be more motivated and committed to the business. The employees who are concerned about a lack of support and direction should feel more supported and involved in decision-making – therefore more interested in where* *the business is headed. Because employees are being asked for suggestions or ideas, they should feel more valued. The use of this management style should therefore result in less staff wanting to leave ImagiLab, subsequently reducing its staff turnover.*

d. Describe either Maslow's Hierarchy of Needs or Lawrence and Nohria's Four Drive Theory and evaluate the ability of the selected theory to motivate the employees at ImagiLab. 8 marks

Advice 1: Note the use of the command term 'evaluate' used in this question. In the 2020 Examination Report, the chief assessors noted that the command term 'evaluate' requires students to refer to both strengths and weaknesses and then come to a conclusion about the suitability or worth of something (an overall judgement). Students often get muddled up with evaluation questions, believing that they are being asked to suggest a better strategy or thing, which is not the case.

Advice 2: Beware the 'either… or' question! Both the 2015 and 2014 VCAA exams featured questions that required students to decide between two options. For example, on the 2015 paper, students were asked to discuss either Maslow's or Herzberg's (a motivation theory on the old Study Design) motivational theory (Question 2b). Many students ignored the use of the word 'or' and discussed both theories. The Examination Report noted that only the first theory would be assessed if this was the case. Similarly, on the 2014 paper, students were asked to describe one driving force or one restraining force for change (Question 2a). The average score was 1 out of 2 and 30 per cent of students scored 0 marks. However, 46 per cent of students scored 1 mark. This indicates that many students wasted their time and wrote about both forces. In doing so, several students did not adequately explain how their first force (which was the only one actually marked) linked to what was happening in the business in the case study. The 2020 VCAA exam featured a question that required students to explain the role of either unions or employer associations in a workplace such as the business in the case study (Question 3, Section A). Students performed reasonably well on that question, with an average score of 1.5 out of 3, and only 19 per cent of students scoring zero marks. However, once again, some covered both unions and employer associations. It is always possible that another "either/or" question will appear on the 2024 exam and students should avoid making the errors noted above.

Advice 3: This practice exam question is very similar to the 2015 VCAA exam question. It has been included in this practice exam because the question on the VCAA exam was handled so poorly. The average score for this question was 3 out of 8. While only 14 per cent of students scored 0 marks, 59 per cent scored 3 marks or less. Only 1 per cent scored 8 marks.

Advice 4: Questions related to motivation theories have appeared on eight of the last 10 VCAA exams. Apart from the 2015 question referred to earlier, they are normally handled reasonably well. For example, Maslow's Hierarchy of Needs appeared on the 2018 VCAA exam (Question 1C in Section A). Students performed reasonably well on that question, which asked students to describe Maslow's theory and explain how it could be applied to reducing the level of staff turnover at the business in the case study, scoring an average of 3.2 marks out of 6 and 11 per cent of students scoring zero marks. A Lawrence and Nohria question appeared on the 2021 VCAA exam (Question 6 in Section B). The average score for that question, which asked students to describe how the business in the case study could use this theory to improve its KPIs, referring to two principles of the theory, was a relatively low 2.8 marks out of 6 and 20 per cent of students scored zero marks. Many students tended to just describe the four drives or struggled to provide the necessary detail for the question.

- 1 mark for describing either Maslow's or Lawrence and Nohria's theory of motivation
- 1 mark for further detail describing the selected motivation theory
- 2 marks for explaining the advantages/strengths of the selected motivation theory for ImagiLab
- 2 marks for explaining the disadvantages/weaknesses of the selected motivation theory for ImagiLab
- 1 mark for suggesting the most suitable motivation theory for ImagiLab
- 1 mark for providing reasons in favour of the suggested motivation theory

Sample answer: *A suitable motivational theory for ImagiLab is Maslow's Hierarchy of Needs. Maslow's theory groups motivational factors into a hierarchy of five needs. Each need acts as a source of motivation for employees. The needs are ranked with the most basic needs situated at the bottom of the hierarchy, progressing to higher level needs at the top. An employee's level of needs at a specific level must be satisfied before they can move up to the next level. Once a particular need is satisfied it is no longer a motivator.*

The use of Maslow's theory will present ImagiLab with a number of advantages. It will allow management at the business to develop an understanding of individual needs, recognising that all individual employees are different and that they all have specific needs. Maslow's theory also will allow management to be aware that employees will be at different stages of development and that they will need to be motivated using a variety of methods. For example, staff might be offered generous pay as part of an overall remuneration package. This is likely to satisfy employees who are motivated by physiological needs. To satisfy employees who are motivated by social needs, the business might develop a culture of teamwork, encourage involvement in decision-making or make use of supportive management. Employees with higher-order needs related to esteem and self-actualisation might be motivated by providing opportunities for career advancement, recognition or opportunities for training and development.

However, Maslow's theory has a number of disadvantages. It is only a theory, and is not supported by empirical evidence. Furthermore, the stages in the hierarchy do not apply to all individuals. A manager making use of Maslow's theory may struggle to identify the stage that is relevant for each individual employee – which makes it difficult to determine an appropriate strategy to motivate each employee.

Nevertheless, Maslow's theory will be most suitable at ImagiLab as it will allow the business to create a workplace that attempts to satisfy all the needs of its employees. Management will be able to implement a range of different strategies at each level of the hierarchy, which will meet the needs of employees who are at different stages in their development. In particular, the theory could be used by management at ImagiLab to encourage employee participation in decision-making. Providing strategies that meet employees at their level of need should ensure that employees are motivated.

Alternative sample answer: *Lawrence and Nohria's Four Drive Theory identifies four basic motivational needs. Lawrence and Nohria believed that these four drives (the drives to 'acquire', to 'bond', to 'learn' and to 'defend') shape the way in which all humans think and behave. According to this theory, all four drives can provide motivation for employees to improve their performance. The drives to acquire, bond and learn are active drives, while the drive to defend is a latent drive that becomes active only in the face of a threat.*

The drive to acquire involves the desire to own material goods, achieve results, as well as the desire for status, power and influence. For example, at ImagiLab, management could link monetary rewards to improvements in employee performance. Such a reward system would recognise the outstanding achievements of any top performers at the business and offer them conditions that are above industry standards. This should positively influence employees who are motivated by the drive to acquire. The drive to bond involves the need for humans to form long-term relationships with other individuals and groups as well as the need 'to belong'. ImagiLab might provide opportunities for employees to meet using social events, or management might focus more on being people orientated and interacting with employees in a positive and encouraging manner. As employees feel supported and included it is possible that their performance would improve. The drive to learn involves the desire to satisfy curiosity to comprehend information and to make sense of the world around us. ImagiLab could offer regular, ongoing training in the form of technical skills, programs for developing broader capabilities across the business, and specific education/learning targeted towards the needs of individuals. In this way, employees are provided with the opportunity to grow and become better operators for the business, improving the morale of those employees who are motivated by the drive to learn.

However, Lawrence and Nohria's theory may not be appropriate for ImagiLab as there are other drives that may exist besides the four outlined in this theory – these don't necessarily explain all the individual *characteristics that may motive a person. Further, a number of the workplace applications involve some competition between employees, which can have detrimental effects for example, lack of cooperation and lack of information sharing.*

Overall, Lawrence and Nohria's theory is likely to be very suitable for motivating employees at ImagiLab because it will allow the business to create a workplace that attempts to satisfy all the drives of its employees. Management will be able to provide strategies that meet the drives of employees at the same time, regardless of their stage of development. In particular, the theory could be used by management at ImagiLab to encourage employees to bond and feel more valued. Providing strategies that meet their drives should ensure that employees are motivated.

Question 2 (6 marks)
Explain efficiency in relation to

- **master production schedule**
- **quality assurance**

Advice 1: The command term used here is 'explain'. This requires students to include enough detail in their response that the main point, topic or issue is expanded on or made clear. This practice exam question requires students to clearly explain the relationship that efficiency has with master production schedule and quality assurance.

Advice 2: This question has never been asked on a VCAA Business Management exam. However, it is very similar in structure to a question on the 2016 VCAA exam which was not answered well by students. Question 1c on that exam asked students about content from the old study design (students were asked to explain the relationship between a management role and both materials management and quality management). The average score was 2.3 marks out of 6, and 20 per cent of students scored zero. High-scoring responses demonstrated a clear understanding of all the terms. Many students just struggled to find any relationships between the terms, or chose strategies within materials management or quality management that did not apply to the question.

Advice 3: Three questions on the 2023 exam asked students to link operations strategies to effectiveness and efficiency, so it is reasonably foreseeable that a question such as this question could appear on the 2024 VCAA exam. Question 4a (Section A) on the 2023 exam asked students to describe a way the business in the case study (a bread manufacturer) could use a materials management strategy to improve the efficient management of its inputs. Question 4b (Section A) on the same exam asked students to explain how the bread manufacturer could use an automated production line to improve the efficient and effective management of its processes. Question 4c (Section A) then asked students to propose and justify a quality management strategy that could be used to improve the effective management of outputs at the bread manufacturer. The three questions were all answered reasonably well, though many students struggled to link each strategy to efficiency or effectiveness as required, referred to 'efficiency and effectiveness' together as a generic term rather than two separate concepts, or confused efficiency with effectiveness.

- **master production schedule**

  - 1 mark for demonstrating an understanding of the term 'efficiency'
  - 1 mark for demonstrating an understanding of master production schedule
  - 1 mark for explaining a way in which efficiency is related to master production schedule

Sample answer: *Efficiency refers to how well a business uses its resources to achieve objectives. Essentially, this is referring to productivity — how many inputs (resources) it takes to produce output (goods or services).*

In terms of master production schedule, *this would relate to reducing the amount of waste produced in the use, storage and delivery of materials while achieving business objectives. A master production schedule (MPS) ensures that the operations process produces what is needed, when it is needed, and in the quantity required at the right time. Because MPS can be used to predict the future needs of the business and schedule production accordingly, including determining the materials required, idle time and overproduction will be minimised. This reduces the risk of inputs becoming damaged, lost or perishing, or never used, thereby minimising waste. Furthermore, because the business does not need an oversupply of materials, the actual amount of inputs used can be reduced, improving productivity and therefore efficiency.*

- **quality assurance**
    - 1 mark for demonstrating an understanding of the term 'efficiency'
    - 1 mark for demonstrating an understanding of quality assurance
    - 1 mark for explaining a way in which efficiency is related to quality assurance

Sample answer: *In terms of quality assurance, efficiency (how well a business uses its resources to achieve objectives) relates to reducing the amount of waste created in the production process while achieving business objectives. Quality assurance refers to the use of a system that will assure customers that the products of a business are fit for purpose, making use of set standards throughout the production process. This prevents quality issues before they occur. A business making use of this approach might make use of process checklists and audits, including regular inspections of the product, which helps to identify and prevent defects early. Maintaining quality avoids delays and reduces the need for reworking products, minimising waste. By reducing the amount of waste produced while achieving objectives, and while also reducing resource consumption and delays, a business will therefore be using its resources more efficiently.*

Question 3 (13 marks)
Harper Manufacturing is a large manufacturer of waste and recycling equipment. It is facing declining profit due to increased competition and rising costs of operation. To address these problems, the company has decided to redeploy resources: moving staff to its research and development area and increasing investment in new products.

a. Explain how redeployment of resources can be used by Harper Manufacturing to ensure that one business objective can be met. 4 marks

Advice 1: This question requires students to clearly explain how redeployment of resources could be used by Harper Manufacturing to achieve a business objective. There should be detail on redeployment of resources in the response, detail on the selected business objective and some detail how redeployment of resources could be used to achieve the business objective.

Advice 2: This current examination question is similar to a number of questions on the 2022 exam. For example, Question 3b in Section A asked students to explain how appraisal could be used by the business in the case study to achieve one employee objective and one business objective. The average mark for this question was 2.5 out of 6 marks, with 19 per cent of students scoring zero. Question 4c in Section A asked students to analyse the effect that increased staff absenteeism may have on the ability of the owner of the case study business to achieve one business objective. The average mark for this question was 2.5 out of 4 marks. Question 2 in Section B was one of the hardest questions on the 2022 exam. It asked students to explain how global outsourcing could be used by the business in the case study to ensure that one business objective could be met. The average mark for this question was 0.9 out of 3 marks, with 56 per cent of students scoring zero. While many students confused global outsourcing with global sourcing of inputs or overseas manufacture, many did not refer to a measurable business objective.

Advice 3: According to the VCE Business Management Study Design, business objectives include to make a profit, to increase market share, to improve efficiency, to improve effectiveness, to fulfil a market need, to fulfill a social need, to meet shareholder expectations. Students should be able to link redeployment of resources to an appropriate objective such as to make profit, to improve efficiency, to improve effectiveness, or to meet shareholder expectations.

- 1 mark for demonstrating an understanding of redeployment of resources
- 1 mark for identifying a relevant business objective
- 1 mark for explaining how the business objective could be achieved through the use of redeployment of resources
- 1 mark for making links to Harper Manufacturing

Sample answer: *Redeployment refers to the reassignment of resources, including natural, labour and capital resources, to another area of the business. A business will use this strategy typically to improve efficiency. Harper Manufacturing is redeploying resources to its research and development area/ development of new products. Redeployment of resources could be used to meet the business objective 'to make a profit', which relates to ensuring that money earned from sales (revenue) is greater than business expenses. Making a profit is very relevant to Harper Manufacturing as it indicates whether or not the business is performing successfully, and the company has recently experienced a significant decline in its net profit. By moving employees to research and development, the business can focus on being more innovative and developing new products that will differentiate it from competitors and meeting the changing needs of customers. By producing innovative, high-quality products, Harper Manufacturing would hope to attract new customers and increase sales, which should result in revenue increasing faster than expenses, ensuring that the business achieves its objective to make a profit. Most businesses, including Harper Manufacturing, would aim to not only make a profit, but attempt to maximise it and increase it from year to year.*

b. The different demands of stakeholders on a business can potentially conflict. Explain why this may occur at Harper Manufacturing. 3 marks

Advice 1: This question appears on this examination because similar questions were asked on the 2013 exam and the 2018 exam. In question 1c on the 2013 exam, students were asked to explain why stakeholders may place competing demands on large-scale organisations. In general, this question was very poorly answered – 59 per cent of students scored zero and the average mark was 0.6 out of 2. In the main, this occurred because students were confused about what "competing demands" meant. Some students thought that the question was asking about competition between businesses while other students simply explained the demands that stakeholders make on businesses, but did not explain that the demands compete (or conflict). On the 2018 exam, Question 5 (Section B) asked students to outline the interests of two stakeholders relevant to the business in the case study and explain how these interests may be in conflict. While that question was generally answered well, many students made a poor choice when selecting stakeholders. Students needed to consider what the business was, what the interests of stakeholders might be, and then select two stakeholders that were easily explained in terms of the potential conflict that may arise. A total of 18 per cent of students scored zero marks and the average mark was 2.4 out of 5. The chief assessors said that "It was important to select stakeholder groups that were actually likely to be in conflict and did not have overwhelmingly common interests."

Advice 2: In the VCE Business Management Study Design, the introduction to Area of Study 1 in Unit 3 still includes the words 'the different demands of stakeholders on a business' so a similar question to this exam question could appear on the 2024 exam.

Advice 3: Stakeholders listed in the study design include owners, managers, employees, customers, suppliers and the general community. Other stakeholders that students might refer to include shareholders, unions, and government. Through a description of the interests of their selected stakeholders, students should be able to find a potential conflict between the interests. It is important to understand that the focus needs to be on the 'interests' of the two stakeholders and not the stakeholders themselves. In other words, it is the interests of the stakeholders that will potentially be in conflict, not the stakeholders being in conflict.

- 1 mark for describing the interest of two stakeholders
- 1 mark for identifying the conflict that can occur between the interests of the two selected stakeholders
- 1 mark for making links to Harper Manufacturing

Sample answer: *Managers are the individuals who have the responsibility for successfully achieving the objectives of the business. Their interest at Harper Manufacturing is in ensuring that the strategies that the business has implemented will achieve its objectives – in particular, keeping costs down to make sure that the business continues to attract customers and operates successfully financially. In return, they expect to be fairly remunerated. Management's demand for profit often conflicts with the interest of employees (the people who work for the business), particularly if employee remuneration does not include a profit-sharing scheme. The interest of employees at Harper Manufacturing is to be paid a fair wage or salary, be trained properly and be treated ethically in return for their contribution to the manufacture of the goods that the business sells. Employees' demand for safe working conditions and reasonable wages can conflict with the profit objective to the extent that these demands add to production costs and reduce Harper Manufacturing's profit.*

c. Describe communication and decision-making as management skills that Harper Manufacturing's human resource manager will require to facilitate a smooth redeployment of the business's staff to the research and development area. 6 marks

Advice 1: Prior to 2017, questions related to management skills were quite common on the Business Management exam, appearing on 7 of 10 exams between 2007 and 2016. However, since 2017, this key knowledge has only appeared on two exams from the last seven. Management skills questions are typically answered well by students. For example, on the 2023 exam, Question 1 (Section B) asked students to identify two management skills that the CEO in the case study had used and then describe how they had been used. The average mark for the first skill was 2.2 out of 3 marks, with only 12 per cent of students scoring zero. The average mark for the second skill was 1.9 out of 3 marks, with 21 per cent of students scoring zero. Some students were not able to demonstrate that they had sufficient understanding of their selected management skill.

Advice 2: This question has been included on this exam because a similar difficult question appeared on the 2014 VCAA exam. On that exam, students were asked to identify and explain two management skills that could be used to address customer complaints (Question 3c). The average mark was 1.9 out of 4, and 38 per cent of students scored 0 marks to 1 mark. In the examination report for 2014, the chief assessors noted a recurring issue with management skills questions whereby students could identify an appropriate skill and justify its use, but struggled to explain the skill. Students were required to identify the skill, explain it, and then relate it to the situation regarding customer complaints. Another similar difficult question appeared on the 2019 VCAA exam. On that exam, students were asked to explain two skills that the human resources manager of the business in the case study would require during a period of store closures (Question 4, section B). The average mark for that question was 2.3 out of 6. Many students did not provide enough detail to receive the full 6 marks, with only 2 per cent of students scoring 6 marks. Students were required to explain each skill, and then link their answer to the case study, specifically to the role played by the human resource manager.

Advice 3: For this question, students are required to describe each skill (communicating and decision-making) and then apply each to the Harper Manufacturing case study (the redeployment), as well as suggesting how the human resources manager would use the skills during the redeployment of staff.

- 1 mark for describing communication
- 1 mark for describing how communication would be used by the human resource manager
- 1 mark for describing how communication would be used to facilitate a smooth redeployment of Harper Manufacturing's staff to the research and development area
- 1 mark for describing decision-making
- 1 mark for describing how decision-making would be used by the human resource manager
- 1 mark for describing how decision-making would be used to facilitate a smooth redeployment of Harper Manufacturing's staff to the research and development area

Sample answer: *Communication involves the ability to transfer information from a sender to a receiver, and to listen to feedback to ensure that the message is clear and has been understood. The human resource manager at Harper Manufacturing could use this to facilitate a smooth redeployment of the business's staff when communicating important information such as reasons for the redeployment, key dates, and specific details of the process being undertaken. The HR manager will also need to actively listen to employees' feedback, addressing any concerns or resistance. The human resource manager may meet with staff as a group to announce the decision, explain the details and offer support to those who will be affected. Holding face-to-face meetings with employees would be very suitable, as this would allow staff to ask questions and have some clarity about the redeployment and the reasons why it is necessary.*

Decision-making refers to the ability to identify the options available and then choose a specific course of action from the alternatives. The human resource manager at Harper Manufacturing would need to begin by firstly identifying the issue, which in this case is managing the employees who will be affected by the redeployment to the research and development area. The facts would then need to be gathered, alternative solutions identified and then decisions made about considerations such as training and support needed to redeploy staff smoothly, and the impact of the change on the business's corporate culture. After analysing the alternatives, the manager would need to choose one alternative and then implement it. Using decision-making should allow the human resource manager at Harper Manufacturing to address the issues related to the business's redeployment of staff in a timely and methodical manner.

Question 4 (6 marks)
Analyse how globalisation has been a driving force for change in a contemporary business that you have studied this year.

Advice 1: This question has been included in this exam because a similar question from the 2020 VCAA examination was not handled well by students. Question 6 (Section A) of that exam required students to analyse how societal attitudes had been a driving force for change in a contemporary business case study. The average score was a low 2.3 marks out of 6, and 22 per cent of students scored zero. The study design clearly states the driving forces and restraining forces, including societal attitudes and legislation. The 2020 exam question serves as a reminder to students just how important it is to have a range of contemporary business case study from the past four years, and to ensure that they cover all the key knowledge in the study design. Students should also be aware that they should choose a case study example carefully before writing a response. A business that has recently announced a merger, for example, is unlikely to be relevant to societal attitudes.

Advice 2: The use of the command term 'analyse' in this question requires students to identify the key components of factors, topics or issues and outline the relationship between them. The current question asks students to explain the links between globalisation as a driving force and a change at a contemporary business case study.

Advice 3: The examination report for 2020 suggested that students needed to include three things in their response to Question 6 (Section A). These included an explanation of a change that had occurred in a business within the past four years, an explanation of what the societal attitudes was that drove the specific change, and an explanation of how that societal attitude had driven the business to make the change. The same approach should be taken for the current question, with the response focused on globalization rather than societal attitudes. In 2020, the chief assessors also noted that many students started their response by referring to social attitudes, but then wrote about customers or technology as driving forces. In the context of the current question, students should ensure that they stay focused on globalisation.

Advice 4: Questions asking for contemporary business case studies have appeared on the past six exams. These have all required students to write about a situation occurring at a business within the past four years. Students have then been expected to either write about how the business made use of a strategy (or theory in the Study Design), how the business might have made use of a strategy (or theory), or how the business has been affected by a driving force.

Teachers are advised to assess student responses globally.

Mark(s)	Descriptor: Expected qualities for mark (or mark range)
6	Comprehensive and accurate knowledge and understanding of globalisation as a driving force. Sophisticated and detailed analysis of how globalisation acts as a driving force for change in a business, with reference to a contemporary case study. Includes accurate and appropriate use of terminology.
5	Adequate knowledge and understanding of globalisation as a driving force. Includes a good analysis of how globalisation acts as a driving force for change in a business, with good reference to a contemporary case study. Includes generally appropriate use of terminology with some inaccuracies.
3-4	Basic knowledge and understanding of globalisation as a driving force. Includes limited analysis of how globalisation acts as a driving force for change in a business, with some reference to a contemporary case study. Includes some appropriate use of terminology with inaccuracies.
1-2	Limited knowledge and understanding of globalisation as a driving force. Includes weak analysis of how globalisation acts as a driving force for change in a business, with limited/no reference to a contemporary case study. Includes limited/no use of terminology with inaccuracies demonstrating some/little understanding.
0	Shows no knowledge of globalisation as a driving force, and/or no attempt to engage with the question.
NA	No attempt at a response.

Sample answer: *TPG Telecom announced a multi-year program to simplify its brands, rationalise its products, modernise its IT systems and streamline its internal systems and platforms in August 2023. The decision was made after the company reported a fall in net profit for the first half of 2023 to $48 million (down 71 per cent from the $167 million for the first half of 2022). CEO and managing director, Iñaki Berroeta, said that the transformation supported TPG Telecom's ambition to be Australia's best telecommunications company.*

Driving forces are those that initiate, encourage and support a change, working for the change. One example of a driving force is globalisation – which refers to the increasing interconnectedness of world markets, driven by advancements in technology, communication, transportation, and the removal of trade barriers. Globalisation allows a business to expand its operations and compete internationally, growing its customer base and increasing profit. However, the increased competition associated with entering global markets forces businesses to improve efficiency, reduce costs and maximise the quality of their products so that they are able to maintain their position. Globalisation, and the need to compete with global competitors, has driven TPG Telecom to implement change. Mr Berroeta said that the company transformations would make the business *leaner and nimbler, and would improve its ability to deliver quality connectivity services for customers. By making use of new technological developments and streamlining its operations, TPG Telecom aims to become more agile and responsive to the demands of the global market, so that it can maintain competitiveness and improve its profit.*

Section B – Case Study

Case Study
StateLink is a government business enterprise (GBE) that operates a network of buses, trains, and trams throughout Victoria. It was formed after VicRail was broken up in the 1980s. As a GBE, StateLink is required to provide both a reliable transportation service and deliver a financial return. The business carried 40.4 million passengers in the 2023-24 financial year. StateLink employs more than 5,000 people, as part of a diverse workforce that includes drivers, maintenance crews, administrative personnel, and customer service representatives

It has recently been proposed that StateLink will need to be privatised in an effort to improve efficiency and reduce government debt. This means that ownership of the business would transfer from the government to the private sector (so that StateLink would no longer be a GBE). While it is yet to make a final decision, the Victorian government is considering two options:

- **list the business on the Australian Securities Exchange**
- **sell the business to a private company or consortium.**

The proposed change has resulted in considerable discussion among employees, unions, and the general community. Those supporting the privatisation of StateLink argue that it will lead to better management, increased investment, and improved service quality. However, critics are concerned about potential job losses, fare increases, and a decline in service standards.

In response to the privatisation proposal, management at StateLink have created a detailed plan outlining the steps that might be taken if the business was to transition from a GBE to a private business. The plan addresses concerns about job security and changes in working conditions. To prepare for possible change in ownership, management are implementing a number of changes including upgrading technology at the business, introducing performance management strategies that align employee goals with business objectives and reducing operational costs.

Question 1 (6 marks)
Describe the key elements of StateLink's operations system.

Advice 1: The three key elements of an operations system are clearly listed in the Study Design: inputs, processes and outputs. Only the three key elements listed in the Study Design are acceptable. Questions related to the elements of an operations management system were regularly on the VCAA examination in the past (appearing on five papers between 2004 and 2010). Question 2 (Section B) on the 2018 exam asked students to describe the key elements of the operations system of the business in the case study. The average mark for this question was 2.8 out of 6 marks, with 32 per cent of students scoring zero. There were issues when students attempted to describe the three key elements in terms of the case study (students had the option of describing the elements of the business's skate parks, sports shop or café). Some students did not name the three key elements or just listed them (but did not describe). Some students seemed to think that processes and outputs in a service business are the same thing.

- 1 mark for identifying a correct key element (maximum of 3 marks)
- 1 mark for describing a key element of StateLink's operations system (maximum of 3 marks)

***Sample answer:** The first key element of StateLink's operations system is inputs. This refers to the resources used in the process of producing a good or service. As a business that provides transportation services, StateLink would use materials including fuel and electricity, spare parts and office supplies. Other inputs at StateLink would include capital equipment (such as the buses, trains, and trams as well as infrastructure such as stations, tracks, overhead wires, maintenance facilities and depots), human labour (for example, its drivers, maintenance crews and customer service representatives), information and time.*

The next key element of StateLink's operations system is processes. The transformation process involves the conversion of inputs (resources) into outputs (goods or services). The process at StateLink is likely to involve daily scheduling of vehicles and drivers, making sure that the buses, trains, and trams run according to their timetables. Maintenance and repair activities would occur frequently. Customer service representatives would handle customer inquiries, provide information and respond to complaints.

The third key element of StateLink's operations system is outputs. Output is the end result of the business's efforts - the finished good or service that is delivered or provided to the consumer. StateLink's output is the transportation services provided to the public, which includes the punctual and safe carriage of passengers across Victoria. The quality of these services will be measured by key performance indicators such as punctuality and passenger satisfaction.

Question 2 (3 marks)
Explain a lean management strategy that could be used at StateLink to improve the efficiency of its operations.

Advice 1: The Study Design states that students need to know the pull, one-piece flow, takt, zero defects strategy to improve the efficiency and effectiveness of operations related to lean management.

Advice 2: VCAA exam questions related to lean management strategies have tended to be poorly answered. For example, on the 2017 exam, Question 4b (Section A) asked students to explain how the principles of lean management might assist the business in the case study to reduce the level of wastage. The average score was 1.4 marks out of 4, and 33 per cent of students scored zero marks. Additionally, 55 per cent of students scored zero marks to 1 mark. Students who wrote about the pull, one-piece flow, takt, zero defects strategy tended to perform better. On the 2019 exam, Question 1c (Section A) asked students to explain how the business in the case study could implement the principles of lean management to improve efficiency or effectiveness. Some students referred to both efficiency and effectiveness, therefore finding it difficult to gain full marks as they typically did not provide sufficient detail about either in their responses. It is important to provide detail when making links to efficiency and/or effectiveness in operations management strategy questions. On the 2023 exam, students were asked to explain how two approaches from the pull, one-piece flow, takt, zero defects strategy could be used to reduce waste at the business in the case study (Question 1b Section A). Students performed better on this question, perhaps because the lean strategy was named. The average score was 2.4 marks out of 4, and only 11 per cent of students scored zero marks.

- 1 mark for explaining a lean management strategy
- 1 mark for explaining how the strategy could be used to improve efficiency
- 1 mark for making links to improving efficiency at StateLink

***Sample answer:** One lean management strategy that* StateLink *could use to improve the efficiency of its operations is the pull, one-piece flow, takt, zero defects strategy. This is a strategy that would eliminate waste and inefficiencies from the production of its transportation services. For example, StateLink might make use of the one-piece flow principle in its maintenance processes, servicing and repairing vehicles one at a time. This would streamline the process, as well as reducing wait times and delays, improving efficiency (how well a business uses resources to achieve objectives) because less time will be wasted. Additionally, StateLink could* *use pull when it maintains and repairs vehicles, ensuring that this is only conducted when there is a clear need for a service or a repair. At the same time, the GBE could make use of zero defects, where rigorous standards would be observed during the maintenance process. By using pull and zero-defects, StateLink would reduce energy and resource consumption and delays, and increase work productivity. Because waste is reduced or eliminated, the business would therefore be using its resources more efficiently.*

Question 3 (6 marks)
With reference to StateLink, compare government business enterprises with one other type of business you have studied this year.

Advice 1: In the 2023 VCE Business Management external assessment report, the chief assessors noted that the command term 'compare' requires similarities and differences. The 2021 external assessment report made the same comment. In this report, the chief assessors suggested writing a response with a section referring to 'similarities are...' and a section referring to 'differences are...' Another approach is to begin a response by using the signposting word 'both' to ensure there is at least one similarity. The similarity should be something that the two terms share in common. Differences should be pointed out using signposting words such as 'whereas', 'however' or 'on the other hand'. Defining key terms should allow students to find a point of difference. The 2021 external assessment report also noted that, regarding differences, it is important that the same criteria are compared (e.g. one is voluntary while the other is involuntary, one occurs within the workplace while the other occurs outside of the workplace), rather than just writing two explanations that do not contain similar or different elements. In the case of this current practice exam question, students will need to write about the similarities and differences between global sourcing of inputs and overseas manufacture.

Advice 2: In the 2021 VCE Business Management external assessment report, the chief assessors also noted that students will sometimes 'discuss' for a compare question. In the 2020 report, the chief assessors noted that students who wrote about strengths and limitations for a compare question (question 3b) were not awarded any marks as this is not a comparison of the two terms.

Advice 3: Compare questions are typically not handled well by students on VCAA exams – this is largely because of a problem with finding similarities, but students will sometimes struggle with differences. On the 2023 exam, there were two 'compare' questions – one asking students to compare Maslow's Hierarchy of Needs with one other motivational theory and the other asking for a comparison of transition considerations and entitlement considerations. For both questions, the examination report noted that the compare command term requires students to provide similarities and differences, and for both questions, the average score was 1.8 out of 4. For Question 3 (Section A) – the motivation theory question – the average score was 2.8 out of 6 and 16 per cent of students scored zero marks, while 23 per cent of students scored zero for Question 3 (Section B) with an average score of 2.3 out of 6 marks (the transition and entitlement considerations question).

Advice 4: The 2022 VCAA exam (Question 1a, Section A), required students to define the term 'government business enterprise'. This question was well answered – with an average score of 1.2 marks out of 2. However, some students confused government business enterprises with social enterprises. All other business types have appeared on the exam at some stage. A common mistake has been referring to the business type as being operated by someone, instead of referring to ownership. For example, students should point out that government business enterprises are owned by the government (rather than operated by the government).

Teachers are advised to assess student responses globally

Mark(s)	Descriptor: Expected qualities for mark (or mark range)
5-6	Detailed explanation of at least one clear similarity and one clear difference or at least one similarity and two differences or two similarities and at least one difference. Reference is made to the StateLink case study. Includes accurate and appropriate use of terminology.
3-4	Explanation of at least one clear similarity and one clear difference. Some reference is made to the StateLink case study. Includes generally accurate and appropriate use of terminology.
1-2	Limited explanation of a similarity or a difference or explanation of only one similarity or one difference. Limited/no reference is made to the StateLink case study. Includes some inaccurate and/or inappropriate use of terminology.
0	Shows no knowledge of types of businesses, and/or no attempt to engage with the question.
NA	No attempt at a response.

Sample answer: *Both government business enterprises (GBEs) and social enterprises aim to meet a community need. StateLink, for instance, provides essential transportation services to the public while also aiming to deliver a financial return (for the State government). Similarly, social enterprises focus on fulfilling social needs and improving some sort of community or environmental issue. Another similarity is the challenge both face in balancing financial sustainability with their social objectives. GBEs must ensure they are financially viable while delivering community services, just as social enterprises must balance generating profit with achieving their social goals.*

However, government business enterprises and social enterprises do differ, in that a government business enterprise is a type of business that is government owned and operated. A GBE aims to make a profit within the bounds of delivering community services. GBEs will also have the objective of increasing the value of their assets and returns to their shareholder (the government). A board of management or board of directors usually controls a GBE, with government input on the Board of Directors. The government maintains a strong interest in the performance and financial returns of the GBE. On the other hand, a social enterprise is a business owned privately (as a sole trader, partnership or company) that operates with the primary aim of fulfilling social objectives. The business may make a profit (or a surplus) but will concentrate on some sort of community or environmental need. A majority of the profit that the social enterprise makes is likely to be reinvested back into the business so that it can continue to fulfil its social objectives, or will be distributed to meet the community or environmental need.

Question 4 (6 marks)
Apply the key principles of the Force Field Analysis theory (Lewin) to the changes that management at StateLink are planning.

Advice 1: This question is very similar to a question on the 2018 VCAA exam (Section B, Question 3). The question asked students to explain how the business in the case study could apply the principles of the Force Field Analysis theory (Lewin) in implementing its expansion plans. The average score for that question was 2.1 out of 5 and 26 per cent of students scored 0 marks. In the 2018 Examination Report, the chief assessors noted that students must be aware of the ranking or weighting of the forces in the Force Field Analysis theory. It is, for example, not correct to state that if there are more restraining forces than driving forces, then a change will not be successful. A similar question on the 2022 VCAA exam (Section B, Question 4) asked students to explain how the business in the case study could use Lewin's Force Field Analysis theory to help it make a decision. The average score for this question was 2.1 out of 4 and 19 per cent of students scored 0 marks. Students who answered this question well explained how the driving and restraining forces in the scenario should be identified, weighted or ranked, then explained how strategies might be put in place so that the driving forces were strengthened, and the restraining forces lessened, so that if the driving forces were weighted higher than the restraining forces, the change was likely to be successful

Advice 2: The command term used in this exam practice question is 'apply', indicating that students need to use the information provided and/or the knowledge relevant to a particular situation and make links and connections. In the case of this question, students must demonstrate an understanding of Lewin's Force Field Analysis theory, and apply it to StateLink.

Advice 3: This current question asks for the Force Field Analysis theory to be applied to the changes that management at StateLink are planning, so student responses should focus on the change that involves upgrading technology, introducing performance management strategies and reducing operational costs, not the proposed privatisation (which is not being *planned* by *management*, but instead being *proposed* by the *Victorian Government*).

Teachers are advised to assess student responses globally

Mark(s)	Descriptor: Expected qualities for mark (or mark range)
5-6	Comprehensive and accurate knowledge and understanding of Lewin's Force Field Analysis theory. Clear application of the key principles of the Force Field Analysis theory to the changes that management are planning at StateLink. Includes accurate and appropriate use of terminology.
3-4	Adequate knowledge and understanding of Lewin's Force Field Analysis theory. Sound application of the key principles of the Force Field Analysis theory to the changes that management are planning at StateLink. Includes some appropriate use of terminology with inaccuracies.
1-2	Limited knowledge and understanding of Lewin's Force Field Analysis theory. Weak application of the key principles of the Force Field Analysis theory to the changes that management are planning at StateLink. Includes limited/no use of terminology with inaccuracies demonstrating some/little understanding.
0	Shows no knowledge of Lewin's Force Field Analysis theory, and/or no attempt to engage with the question.
NA	No attempt at a response

Sample answer: *Force Field Analysis is useful for determining the forces that promote change and those that resist change. Management at a business such as StateLink can make use of Lewin's theory to determine if change is needed or if it will be successful. In his theory, Lewin identified factors (or forces) that influence any given situation. According to Lewin, management needs to analyse which factors within a situation, or factors affecting a business, are acting as driving forces and which factors may be acting as restraining forces.*

At StateLink, a guiding group would identify the driving and restraining forces. The factors that may drive the change would be identified firstly by the group. An example of a driving force at StateLink is management who have decided to develop a detailed plan to prepare for the potential change in ownership of the GBE. Other driving forces at StateLink that would push or drive the business to change include the owners (the Victorian government which is under pressure to reduce debt) and the pursuit of profit. Next, the factors that may impede or restrain the change need to be identified. A restraining force for StateLink would be employees (and unions) and their concern over job security and changing work conditions. There are also concerns amongst the general community who may be worried about possible increases in fares or declines in service standards. Other restraining forces might include financial considerations such as the cost of new technologies and time.

For each force, management should assign a score relative to the perceived strength of the force (with low scores suggesting a weak force and high scores suggesting a strong force). This allows management to rank the forces. By identifying the highest priority driving forces, the guiding group at StateLink would be able to find support for the implementation of change. By identifying the highest-ranking restraining forces, the guiding group could determine strategies to deal with resistance to change. According to Lewin's Force Field Analysis, the current conditions, or status quo, result from these two forces pushing in opposite directions. While there is equilibrium between the two sets of forces there will be no change. StateLink's management must be aware that, in order for change to occur, the weight of driving forces needs to exceed restraining forces. At this point, the business could move forward with changes such as upgrading technology, introducing new performance management strategies and reducing operational costs. An action plan for strengthening driving forces and overcoming the restraining forces could be implemented. By strengthening driving forces and seeking to reduce or eliminate restraining forces, managers at StateLink can ensure that the implementation of change will occur successfully. Once the change has been made, the business will need to continue to monitor the situation to ensure that the decision to change was the right thing to do.

Question 5 (4 marks)
Explain the role of each of the following workplace relations participants during the change at StateLink.

- **Human Resource Managers**
- **Unions**

Advice 1: A similar question to this practice examination question appeared on the 2017 VCAA exam. Question 5 (Section A) asked students to explain the role of human resource managers and the Fair Work Commission during the process of determining new wages and conditions of work. This question was not handled well. The average score was 2.3 marks out of 6, and 58 per cent of students scored between 0 and 2 marks. Only 8 per cent of students scored 5 or 6 marks. Students who performed well on this question demonstrated a clear understanding of the roles of both participants in the process of determining wages and conditions of work. Low-scoring students outlined the roles of the participants without application to the process of determining wages and conditions of work. Another similar question appeared on the 2020 exam, where students were asked to explain the role of either unions or employer associations in a workplace such as the business in the case study (Question 3, Section A). Students performed better on this question, with an average score of 1.5 out of 3, and only 19 per cent of students scoring zero marks. Most students addressed the role of unions, however, some covered both unions and employer associations (which meant only the first stated response was assessed). On the 2022 exam, students were asked to describe the roles of two participants in the workplace (Question 4b, Section A). Unlike this current practice examination question, students were not required to link their answer to the stimulus material but rather to show a good understanding of the role of each in the workplace. Students achieved an average score of 2.2 out of 4, and only 11 per cent of students scored zero marks.

Advice 2: The Study Design states that students must know the roles of participants in the workplace including human resource managers, employees, employer associations, unions, and the Fair Work Commission. As human resource managers and unions are specifically listed in the Study Design, students are expected to be able to explain their roles in terms of workplace relations.

- **Human Resource Managers**

    - 1 mark for explaining the role of Human Resource Managers
    - 1 mark for application of the response to StateLink

Sample answer: *As a workplace participant, one role of human resource managers in StateLink's workplace is dealing with disputes and conflict that may arise between management and employees. In doing so, the human resource manager is likely to be required to act as an intermediary between employees (who may be represented by the union) and senior management as disputes or conflicts arise. As StateLink is facing the prospect of privatisation, there is the possibility that there could be job losses or changes in work conditions.*

Employees and unions are concerned about this, so it is very likely that there will be disputes at StateLink. As such, the role of human resource managers at StateLink will be required to facilitate negotiations, handle employee grievances and ensure that there is compliance with workplace legislation.

- **Unions**

  - 1 mark for explaining the role of unions
  - 1 mark for application of the response to StateLink

Sample answer: *The main role of a union is to represent and protect the rights of member workers in all matters relating to their employment. Unions exists to protect and advance the job security, wages and working conditions of their members. With the Victorian government's considering the privatisation of StateLink either by listing the business on the Australian Securities Exchange or by selling it to a private company or consortium, unions will engage in negotiations with management to protect the interests and/or rights of employees. A union also provides assistance, support and services to member workers. If employees at StateLink experience workplace-related issues, such as potentially losing their jobs, the union will provide assistance and support to individual members, where necessary, as well as provide support to StateLink's union representative in the workplace.*

Question 6 (10 marks)
'Under pressure to implement business change, managers will always revert to using high-risk strategies.'

Evaluate this statement with reference to StateLink.

Advice 1: A very similar question to this practice exam question appeared on the 2022 exam. The 10-mark question on this exam asked students to evaluate a prompt (a short statement) that read 'During a period of business change, all managers will end up using high-risk strategies some of the time' (Question 5, Section A). The question also required students to make reference to a contemporary business case study. Responses that explored the positive aspects of high-risk strategies, examined the negative consequences of high-risk strategies, and then provided an evaluative statement tended to earn better marks. Some students were able to use alternative options to demonstrate ways in which the weaknesses of high-risk strategies might be overcome, such as using low-risk strategies. These students also tended to perform well. The current question requires a similar approach, but needs to be applied to StateLink.

Advice 2: Another similar question on the 2014 paper, Question 2d asked students to "Identify one low-risk practice and one high-risk practice for dealing with resistance to change" and "Discuss both practices and suggest which one would be more effective…" The question was answered reasonably well, however, some students struggled with the multiple elements that needed to be responded to. The average mark for this question was 2.8 marks out of 6. In the examination report for that exam, the chief assessors noted that, "It is essential that students read the question carefully, make note of what the task descriptor is asking them to do and then fully answer the question." Similarly, the 2018 exam asked students to describe a high-risk strategy and a low-risk strategy that the manager in the case study could use to overcome employee resistance during a period of change (Question 5b, Section A). The average mark for that question was 2.4 out of 4 and only 11 per cent of students scored 0 marks. The question was 'generally' answered well, however many students struggled to explain how their strategies could be used to overcome employee resistance. It highlights the importance of reading each question carefully and avoiding the temptation to answer the question in rather general terms. In the context of the current question, it cannot be assumed that the strategies will overcome resistance – it is important to specifically address how the strategies actually work to overcome employee resistance.

Advice 3: According to the Business Management Study Design, high-risk strategies include manipulation and threat. Low-risk strategies include communication, empowerment, support and incentives.

Advice 4: It is very likely that the ten-mark question on the 2024 VCAA exam will have several elements. In the 2016 Examination Report, the chief assessors reminded students that they should be aware that questions might have many elements that need to be addressed. For this reason, students need to ensure that they cover each element of the question in their responses. Students were reminded that they should read the question carefully and plan their responses. It is worth remembering that the ten-mark question could come from Unit 3 or Unit 4, or from both. In the 2021 External Assessment Report, the chief assessors reminded students that they need to address every element of a question within their response to achieve full marks. In the 2022 External Assessment Report, the chief assessors pointed out that the ten-mark question on the 2022 exam included a number of Business Management concepts, each of which needed to be explored for a response to receive a high score.

Advice 5: The best responses will be those that are coherent and flow. Paragraphs will be clearly expressed so that they consider all parts of this question and bring everything together.

Teachers are advised to assess student responses globally.

Mark(s)	Descriptor: Expected qualities for mark (or mark range)
9-10	• Strong indication of whether or not managers will always revert to using high-risk strategies. • Comprehensive and accurate knowledge and understanding of situations where high-risk strategies may be required and where they are not appropriate. • Sophisticated and detailed evaluation of at least two high-risk strategies with reference to StateLink. • Includes accurate and appropriate use of terminology, which involves defining, describing and applying relevant business management concepts and terms.
7-8	• Indication of whether or not managers will always revert to using high-risk strategies. • Detailed and accurate knowledge and understanding of situations where high-risk strategies may be required and where they are not appropriate. • Detailed evaluation of one or two high-risk strategies with some/ no reference to StateLink. • Includes appropriate use of terminology, which involves defining, describing and applying relevant business management concepts and terms.
5-6	• Some indication of whether or not managers will always revert to using high-risk strategies. • Demonstrated adequate knowledge and understanding of situations where high-risk strategies may be required and/ or where they are not appropriate. • Some evaluation of a high-risk strategy with some/no reference to StateLink. • Includes generally appropriate use of terminology with some inaccuracies, which involved attempts at defining, describing and applying relevant business management concepts and terms.
3-4	• Poor or no indication of whether or not managers will always revert to using high-risk strategies. • Demonstrated basic knowledge and understanding of situations where high-risk strategies may be required or where they are not appropriate. • Limited evaluation of a high-risk strategy with some/no reference to StateLink. • Includes some appropriate use of terminology with inaccuracies, which involved limited attempts at defining, describing and applying relevant business management concepts and terms.
1-2	• Poor or no indication of whether or not managers will always revert to using high-risk strategies. • Demonstrated limited knowledge and understanding of situations where high-risk strategies may be required or where they are not appropriate. • Weak evaluation of a high-risk strategy with some/no reference to StateLink. • Includes limited/ no use of terminology with inaccuracies demonstrating some/little understanding, which involved limited/no attempts for use of defining, describing and applying relevant business management concepts and terms.

0	• Shows no knowledge of high-risk strategies and/or no attempt to engage with the question.
NA	• No attempt at a response.

Sample answer: *Under pressure to implement business change, managers may sometimes revert to using high-risk strategies. However, it is not true to suggest that this will occur all of the time.*

High-risk strategies are approaches that can be used during a period of change that involve a potentially significant level of negative consequences. These strategies can be used relatively successfully in the short-term, but in the longer-term are not likely to be the best approach to effectively manage change. For example, managers might use manipulation or threats in order to ensure that the changes being implemented, such as the upgrading of technology, the introduction of performance management strategies and cost cutting, progress swiftly. At StateLink, the looming possibility of privatisation and a need to address financial performance and operational efficiency could make high-risk strategies appear to be effective ways to achieve immediate compliance and change. Management could make use of manipulation, whereby skillful or devious influence over employees is used in order to force compliance. Management might, for example, withhold certain information from staff when introducing change, informing employees about the exciting opportunities that investment in new technologies will provide, but withholding the fact that this might require employees to retrain or that some employees will lose their jobs. Alternatively, management might make use of threat, whereby managers at StateLink would tell employees that something negative will happen if they do not complete a task, or managers might use their power to force those resisting change to conform. These strategies may be effective when a business is under pressure to achieve a deadline or where change will be unpopular. However, high-risk strategies are less likely to lead to success in the long-term as they can disenfranchise staff, create distrust, and therefore damage the business's culture and performance. For example, their use can leave employees feeling nervous, not valued and resentful, which ultimately has a negative impact on workplace productivity or performance. The use of high-risk strategies, such as manipulation, are likely to cause resistance in the long-term, and therefore be less effective at managing change.

Because they have the potential for negative consequences, it is unlikely that managers will always revert to using high-risk strategies. Managers will often use low-risk strategies, which are approaches that are more likely to result in employees accepting a change and less likely to involve negative consequences. Communication is an example of a low-risk strategy that will allow StateLink to successfully manage change. Communication would be used as management at the business share information with employees and as employees ask questions about the new technologies that the business is planning, the introduction of performance management strategies and the planned cost cutting. Communication with employees regarding this change would include holding meetings, sharing information about the change and speaking with affected employees one-on-one. By making use of communication, management at StateLink is likely to reduce fear and anxiety. As information is shared and employees are involved in the change process, trust and cohesion should develop between employees and management, reducing resistance to change. While communication, particularly in the form of two-way communication, can be time consuming and can sometimes result in information overload, low-risk strategies such as communication can be used successfully in the short-term and are much more effective in the longer-term than high-risk strategies.

If StateLink wishes to effectively respond to any resistance and achieve effective change, it would be more successful in adopting a low-risk strategy such as communication, empowerment or support. As staff are more likely to feel valued as part of the change process, this should lead to more successful change in the long-term. Ultimately, it is not true that managers will always revert to using high-risk strategies when under pressure to implement business change. Some managers might use high-risk strategies such as manipulation and threat to manage change in the short-term but these are likely to cause resistance in the long-term, and are therefore less likely to be effective at managing change.