



Business Management 2020 – Assessment Guide

VCAA Key
Knowledge

Question

Answer guide

Parties ‘R’ Us has been organising children’s birthday parties since 2015 when best friends Cynthia Lynch and Kate Shaw formed a partnership, noticing a gap in the market. In the beginning, Cynthia and Kate were very hands-on and ran the parties themselves, including DJ-ing, organising party games, face painting, food catering, and a photo booth.

The friends have become highly successful and are employing 50 staff who oversee more than 600 parties a year. Cynthia and Kate are far less hands-on nowadays, and have a lot of faith in their employees who are highly experienced and passionate about the culture of Parties ‘R’ Us, which focuses on ensuring every party meets the 4 Fs - ‘Fun, Fabulous, Kids First and Favourite’. The best friends are considering whether to become a private limited company and expand across Australia in response to growing demand in cities such as Sydney and Brisbane.

Corporate culture both official and real, and strategies for its development.

Define, describe and apply relevant business management concepts and terms.

Question 1a (2 marks)

Define the term ‘corporate culture’.

Answer:

- *The shared values, beliefs and traditions that create a collective identity in a business.*
- *This can be both official (i.e. written in policies or a mission statement) or real (i.e. actual culture).*

Marking protocol:

One mark for a clear and accurate definition of corporate culture referring to the term ‘shared’ (or common).

One mark for an elaboration which should reference corporate culture being ‘real’ or ‘official’. Students should refrain from using the word ‘culture’ when defining this key term.

Types of businesses including sole traders, partnerships, private limited companies, public listed companies, social enterprises and government business enterprises.

Question 1b (2 marks)

Outline one benefit of operating as a private limited company rather than a partnership.

Answer:

- *A benefit of operating as a private limited company is that owners are protected by limited liability, which means that owners are separate legal entities from the business and cannot be held personally liable for the business's debts should it run into financial trouble. This is compared to a partnership, where owners have unlimited liability as the business and owners are considered one single entity.*
- *A benefit of operating as a private limited company is perpetuity, which means that a change of ownership (i.e. an owner who passes away) does not affect the existence of the company. This is compared to a partnership, where there is no perpetuity and the business in its current form will cease to exist if a partner leaves or passes away.*

Marking protocol:

Two marks for either of the above points, to a maximum of two.

Responses which provide a benefit that is common between these two ownership types (e.g. access to finance, shared responsibilities, etc.) should not be awarded marks.

To achieve two marks, the response should make the benefit of operating as a private limited company rather than a partnership clear (i.e. there should be some elaboration), otherwise a maximum of one mark should be awarded.

Management styles including autocratic, persuasive, consultative, participative and laissez-faire.

The appropriateness of management styles in relation to the nature of task, time, experience of employees and manager preference.

Apply business management knowledge to practical and/or simulated business situations.

Question 1c (4 marks)
Justify a management style that would be appropriate for Cynthia and Kate to use when expanding Parties 'R' Us across Australia.

Sample Answer 1:

Consultative style

- *The consultative style involves management seeking ideas and input from employees (i.e. two-way communication), before making a final decision (i.e. centralised decision-making).*
- *Consultative managers are both people-orientated as they value employee input and positive relationships, and task-orientated as the final decision and accountability for this remains with them.*
- *The consultative style will be best suited to Cynthia and Kate as they expand Parties 'R' Us across Australia as it will allow them to gain diverse and innovative ideas for new locations from their more experienced workers, who may also step up to a higher position and assist them with running the business Australia-wide.*
- *The consultative style also allows for higher levels of motivation, meaning as the business expands, it will likely maintain a positive corporate culture, as staff tend to have higher levels of morale (satisfaction) when their input is valued. This is important as the business brings in new staff to help with the expanded operations.*

Sample Answer 2:

Persuasive style

- *The persuasive style involves management making a centralised decision with no input from others, and taking the time to convince staff that the decision is the best for the business. Communication is one-way (top down).*
- *Persuasive managers are highly task-orientated, however see the value in staff understanding why a decision is made.*
- *The persuasive style will be best suited to Cynthia and Kate as they expand Parties 'R' Us across Australia as it will allow them complete control over decision-making around where to expand the business. Given their experience and previous success, it will be easy for them to establish a decision, and gain the trust of their staff that this is the best course of action to grow the business Australia-wide.*
- *The persuasive style also allows for staff to understand the reason for Cynthia and Kate's decision, as opposed to simply just 'telling' them, which should help gain higher levels of support for their expansion, which will be important to gain momentum as the change unfolds.*

Sample Answer 3:

Participative style

- *The participative style involves management joining together with employees to make joint (decentralised) decisions. Communication is two-way to allow for discussion and compromise on key business decisions.*
- *The participative style will be best suited to Cynthia and Kate as they expand Parties 'R' Us across Australia as it will allow them to involve their experienced and passionate employees in decision-making around where to expand the business.*

- *Participative managers are highly people-orientated, which is important for Cynthia and Kate to maintain the positive culture at Parties 'R' Us throughout its expansion.*
- *Furthermore, the participative approach can allow for better decisions as there is a broad range of ideas and opinions openly shared (which can create synergy for the business).*
- *The participative style also allows for staff to feel a sense of ownership over the decision, which should help gain higher levels of support for their expansion, which will be important to gain momentum as the change unfolds.*

Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

4 High	<ul style="list-style-type: none"> • All elements of the question addressed, which shows a sophisticated understanding of concepts. • Response provides a very high-level explanation of the chosen management style. • Response makes consistent reference to the Parties 'R' Us case study to provide a very high-level justification of the chosen management style.
3 Medium	<ul style="list-style-type: none"> • Some elements of the question addressed. • Response provides a sound explanation of the chosen management style. • Response may make a general attempt at justifying the chosen management style, but lacks specific reference to the case study.
1-2 Low	<ul style="list-style-type: none"> • Few elements of the question addressed. • Response provides only a satisfactory or basic understanding of the chosen management style.
0 No score	<ul style="list-style-type: none"> • Response does not demonstrate any understanding of management styles.

As this is a 'justify' question, students are required to use their theoretical knowledge of the benefits of the chosen management style to provide reasons why it is appropriate given the business case presented. The response must relate to the expansion of Parties 'R' Us as directed in the question. Given the case study refers to staff who are highly experienced, and the situation does not appear to be a crisis, it would be difficult to justify an autocratic style. It would also be very difficult to justify a laissez-faire style – while employees may be experienced in running parties, the question requires students to relate a style to the expansion of the business, which should really be left to the owners who have more appropriate skills and experience in this area. Neither of these styles should be chosen and a maximum score of two should be awarded for responses which demonstrate a good theoretical understanding of these styles.

Driving forces for change in business, including managers, employees, competitors, legislation, pursuit of profit, reduction of costs, globalisation, technology, innovation and societal attitudes.

Restraining forces in businesses, including managers, employees, time, organisational inertia, legislation and financial considerations.

Apply business management knowledge to practical and/or simulated business situations.

Question 1d (4 marks)

Explain how the driving force of pursuit of profit and the restraining force of financial considerations could have an impact on the success of Parties 'R' Us' expansion around Australia.

Answer:

- *Driving forces are those which encourage and support change to occur in a business, such as pursuit of profit – the desire to create profitable returns for owners/investors.*
- *Cynthia and Kate may be motivated to expand Parties 'R' Us around Australia in order to tap into new and emerging markets (e.g. in Sydney and Brisbane), and make a larger profit for themselves and other new investors as they become a private company.*
- *Restraining forces are those which restrict change from occurring successfully in a business, such as financial considerations – the financial costs associated with implementing change.*
- *Parties 'R' Us faces significant costs as it looks to restructure and expand into new cities. This will act as a significant restraint on the business's planned changes, as Cynthia and Kate's profits will be affected negatively, which could restrict their desire to expand the business as planned.*

Marking protocol:

One mark for each of the above points.

The driving force and restraining force must relate to the success of Parties 'R' Us' expansion around Australia. Responses that do not relate to this specifically can score a maximum of two marks.

Training options including on-the-job and off-the-job training, and the advantages and disadvantages of each.

Compare and evaluate strategies used for motivation and training when managing a business.

Apply knowledge about managing employees to practical and/or simulated business situations.

Question 2 (6 marks)

When implementing a training program for staff, management must consider both on-the-job and off-the-job training options, and how each may impact on the motivation of staff and the future success of the business.

Evaluate one on-the-job and one off-the-job training option for effectively managing employees to ensure business objectives are achieved.

Sample Answer:

- On-the-job training includes teaching employees new job-related knowledge and skills on-site (i.e. at the place of work). This can include competency-based training, coaching, etc.
- On-the-job training such as coaching is very cost effective as it can be performed by senior employees without the need to bring in an expert. Employees also benefit from practical learning that can be applied in a familiar environment, helping support the achievement of objectives (e.g. increased sales skills resulting in better sales).
- However, on-the-job training may not be as effective, as the employees providing it may not have the necessary skills in teaching others. Trainers can also pass on bad habits, often without realising, leading to sub-standard performance and failure to achieve set objectives.
- Off-the-job training includes teaching employees new job-related knowledge and skills off-site. This can include workshops, or University/TAFE courses.
- A benefit of off-the-job training is that it is provided by trained experts, who may be more skilled in teaching staff appropriate skills. Employees may also be formally recognised for their training (i.e. become qualified). This can help employees better achieve business objectives as they possess better skills.
- However, off-the-job training can be less practical as it is not carried out at the business itself. It can also be very expensive to pay for trained experts.
- Overall, both training options should support a business to better achieve its objectives; however on-the-job training, being more practical, should support higher levels of achievement, and being less costly, should have a smaller impact on net profits.

Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

5-6 High	<ul style="list-style-type: none"> • All elements of the question addressed, which shows a sophisticated understanding of concepts. • A very high-level evaluation of two suitable training options (on-the-job and off-the-job), which shows in-depth understanding of concepts. • A clear proposal for one training approach is made, with a clear and appropriate justification related to the achievement of business objectives. • The response makes clear and appropriate links to business objectives throughout.
3-4 Med- ium	<ul style="list-style-type: none"> • Some elements of the question addressed, which shows a moderate understanding of concepts. • A moderate evaluation, which may lack consideration of both sides (i.e. may only consider advantages or disadvantages, but not both). • Response does not clearly propose or justify which training option is more suited to supporting the achievement of business objectives.
1-2 Low	<ul style="list-style-type: none"> • Few elements of the question addressed, which shows only basic understanding of concepts. • Little to no evaluation of either training option; response may provide a basic explanation of one or both options.
0 No score	<ul style="list-style-type: none"> • Response does not demonstrate any understanding of training options.

Scootz Ltd. manufactures scooters for children, teenagers and the ever-growing adult market in its Australian production facility. Recently, management decided to outsource the manufacture of key parts for its electric scooters to India as a result of growing financial and competitive pressures locally. Following this decision, the board of directors have observed a reduction in productivity due to rising waste, issues with quality, and workplace conflict between management and staff.

The roles of participants in the workplace including human resource managers, employees, employer associations, unions, and the Fair Work Commission

Question 3a (6 marks)

Describe the role of two of the following workplace relations participants in resolving disputes over wages and working conditions:

- Fair Work Commission
- Unions
- Human Resource Managers

Sample Answers:

Fair Work Commission:

- *The Fair Work Commission (FWC) is Australia's national workplace relations tribunal created by the Fair Work Act (2009) and is an independent body.*
- *The FWC can help parties resolve a dispute by facilitating conciliation or arbitration and helping management and employees reach a compromise.*
- *The FWC also helps minimise disputes by establishing legally binding minimum standards of wages and working conditions which must be met, and by monitoring compliance to ensure there are no breaches to safety net standards.*

Unions:

- *Unions are an organisation formed by employees in an industry, trade or occupation to represent their interests in an effort to improve wages and working conditions of their members.*
- *Unions help resolve disputes in the workplace by listening to employee grievances and ensuring these are voiced to management during negotiations.*
- *Unions are responsible for organising industrial action (e.g. strike) when relations break down, and engaging purposefully in dispute resolution (e.g. conciliation) if an agreement cannot be reached.*

Human Resource Managers:

- *The Human Resource (HR) Manager is responsible for overseeing all activities involved in hiring, maintaining and terminating employees, and ensuring positive workplace relations.*
- *When disputes over wages or working conditions arise, the HR Manager is responsible for engaging in 'good faith' bargaining with employees and/or their union. This can involve participating in mediation, conciliation, or arbitration if a dispute cannot be resolved.*
- *The HR Manager is also responsible for ensuring workplace agreements are implemented as agreed, ensuring further conflict and disputes do not arise.*

Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

5-6 High	<ul style="list-style-type: none">• All elements of the question addressed, which shows a sophisticated understanding of concepts.• A very high-level explanation of two roles of workplace relations participants, which shows an in-depth understanding of the concept.• Response provides clear links to how each participant supports the resolution of disputes over wages/working conditions.
3-4 Medium	<ul style="list-style-type: none">• Some elements of the question addressed, which shows a moderate understanding of concepts.• Response may provide a very high-level explanation of two roles of workplace relations participants, and a limited link to resolving disputes over wages/working conditions.
1-2 Low	<ul style="list-style-type: none">• Few elements of the question addressed.• Limited explanation of the role of one or two workplace relations participants, which shows only a basic understanding of the concept.
0 No score	<ul style="list-style-type: none">• Response does not demonstrate any understanding of the role of participants in workplace relations.

To be awarded six marks, the response must describe how each workplace relations participant helps resolve disputes over wages and working conditions. If a response explores all three participants, only the first two should be considered when allocating marks.

Strategies to improve the efficiency and effectiveness of operations related to quality, including quality control, quality assurance and Total Quality Management.

Apply operations management knowledge to practical and/or simulated business situations.

Question 3b (4 marks)

Describe how Total Quality Management (TQM) can assist businesses such as Scootz to improve the efficiency or effectiveness of its operations.

Answer:

TQM and Efficiency

- *Total Quality Management (TQM) is a business-wide approach to the management of quality where all members of the business commit to achieving excellence in every aspect of the business's operations.*
- *TQM is based on a number of core principles, including the customer being the main focus of how 'quality' is defined, striving for Kaizen (continuous improvement) in all processes, involving all employees (i.e. quality is everyone's responsibility), and defect-free production.*
- *TQM could assist Scootz in improving efficiency (how well inputs are being converted into outputs by minimising waste). TQM businesses prioritise quality through all levels of the supply chain, and this approach would help Scootz to partner with suppliers and support quality improvements to ensure their electric scooters are defect-free.*
- *By focusing on Kaizen, Scootz would continuously invest in maximising quality in every aspect of its production process – including procuring manufactured parts from suppliers, helping to minimise waste and improve its efficiency.*

TQM and Effectiveness

- *Total Quality Management (TQM) is a business-wide approach to the management of quality where all members of the business commit to achieving excellence in every aspect of the business's operations.*
- *TQM is based on a number of core principles, including the customer being the main focus of how 'quality' is defined, striving for Kaizen (continuous improvement) in all processes, involving all employees (i.e. quality is everyone's responsibility), and defect-free production.*
- *TQM could assist Scootz in improving effectiveness (how well the business is able to achieve its set objectives). TQM businesses prioritise quality through all levels of the supply chain, and this approach would help Scootz to partner with suppliers and support quality improvements to ensure their electric scooters are defect-free.*
- *By focusing on Kaizen, Scootz would continuously invest in maximising quality in every aspect of its production process – including procuring manufactured parts from suppliers, helping to minimise waste. This helps lower its business costs which then makes the business more effective by maximising the achievement of objectives such as increased net profit figures.*

Marking protocol:

One mark for each of the above points for either TQM and Efficiency or TQM and Effectiveness.

Students should focus on efficiency **or** effectiveness (but not both) in their response. When marking responses, marks should only be awarded for the first concept (i.e. if a response starts with efficiency, marks can only be awarded for links made between TQM and efficiency).

Strategies to improve the efficiency and effectiveness of operations related to technological developments, including the use of automated production lines, computer-aided design, computer-aided manufacturing techniques and website development.

Strategies to improve the efficiency and effectiveness of operations related to materials, including forecasting, master production schedule, materials requirement planning and Just In Time.

Strategies to improve the efficiency and effectiveness of operations through waste minimisation in the production process, including the principles of lean management.

Apply operations management knowledge to practical and/or simulated business situations.

Question 3c (5 marks)

Discuss one strategy (other than management of quality) a business can implement to address its corporate social responsibility considerations in its operations system. In your response, refer to Scootz Ltd. or a contemporary business case study.

Sample Answer 1:

Computer-aided manufacturing (technological advancements)

- *Computer-aided manufacturing (CAM) refers to the use of computer software in the control of machinery, tools and equipment during the manufacturing process.*
- *As Scootz have outsourced manufacturing of parts for its electric scooters to India, they may wish to support the introduction of CAM into their own (and suppliers') processes to improve the precision and efficiency of production.*
- *Businesses should take action to go above their legal obligations and limit the negative impact of operations on society and the environment – corporate social responsibility (CSR).*
- *By implementing CAM across its supply-chain, Scootz can minimise human error and waste in its production process, as this technology is more precise. This would allow the business to minimise its scrap/waste ending up in landfill, and allow it to address its CSR.*
- *By using machinery to monitor and control processes along the production line, CAM can allow Scootz to mass-produce its scooters more efficiently, with cost savings able to be reinvested into addressing its CSR (e.g. investment in green technology).*
- *However, implementing CAM may replace human labour in the production process, leading to job losses. This can have a negative impact on its CSR in both the Australian and Indian economies.*

Sample Answer 2:

Forecasting (materials management)

- *Forecasting is a materials management strategy that involves management in a business using past and present data to predict future production requirements.*
- *Yakult mass produces a health drink which supports digestive health and must make effective use of forecasting as it uses ingredients to produce a milk product which has an expiry.*
- *Businesses should take action to go above their legal obligations and limit the negative impact of operations on society and the environment – corporate social responsibility (CSR).*
- *By implementing forecasting, Yakult ensure only the necessary raw materials for production are ordered, leading to less waste in its production process. This would allow the business to minimise its scrap/waste ending up in landfill, and allow it to address its CSR.*
- *Forecasting also ensures the business is not unnecessarily over-consuming or depleting natural resources, ensuring more sustainable practices are implemented. This is especially important for Yakult as it uses plastic as a key input.*
- *However, implementing forecasting does not guarantee that waste will not be generated. For products such as Yakult, demand can be unpredictable, meaning some product waste and environmental damage may be unavoidable.*

Compare and evaluate strategies used in operations management.

Propose and justify strategies for improving the efficiency and effectiveness of operations.

Sample Answer 3:

Lean management (waste minimisation)

- *Lean management is a waste minimisation strategy that uses a range of measures to improve the efficiency and effectiveness of operations by eliminating waste, reducing costs and improving quality.*
- *Yakult mass produce a health drink which supports digestive health and should make effective use of lean management as it uses ingredients to produce a milk product which has an expiry.*
- *Businesses should take action to go above their legal obligations and limit the negative impact of operations on society and the environment – corporate social responsibility (CSR).*
- *Yakult implements lean management principles including ‘flow’ (processing flows with no idle time) and ‘pull-focus’ (producing only what customers want) to limit wastes including time, inventory, motion, waiting and over-production.*
- *By producing only what customers demand (pull) and using a strategy like just-in-time to maximise the flow of materials, Yakult are able to reduce materials waste and ensure products are sold before expiry, limiting waste and helping support positive CSR.*
- *However, implementing lean management and waste minimisation strategies can require businesses such as Yakult to depend on capital-intensive production techniques. This can reduce the number of employment opportunities and a business’s CSR – Yakult for example only employs 2,700 employees globally.*

Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

5 High	<ul style="list-style-type: none"> • All elements of the question addressed. • A very high-level discussion of one strategy a business can implement in the area of operations to address its corporate social responsibility considerations. Shows an in-depth understanding of all concepts. • Response provides clear and consistent links to Scootz Ltd. or a contemporary business case study.
3-4 Med-ium	<ul style="list-style-type: none"> • Some elements of the question addressed. • Response may provide a satisfactory discussion of one strategy a business can implement in the area of operations generally, without addressing corporate social responsibility considerations. • Response may lack effective reference to Scootz Ltd. or a contemporary business case study.
1-2 Low	<ul style="list-style-type: none"> • Few elements of the question addressed. • Limited discussion of the role of one strategy a business can implement in the area of operations.
0 No score	<ul style="list-style-type: none"> • Response does not demonstrate any understanding of operations strategies.

Students must ensure an operations strategy outside the area of quality management is selected. Strategies can come from technological developments, materials management, or waste minimisation. As this is a ‘discuss’ question, the response must explore both benefits and limitations of implementing the chosen strategy, in relation to CSR. Responses must make a clear and effective attempt to relate to Scootz Ltd. or a contemporary business case study (but not both).

	Net profit figures	Growth in number of customer complaints	Level of staff turnover	Number of workplace safety incidents
2017	+ \$500,000	- 10%	7%	0
2018	+ \$390,000	+ 3%	22%	10
2019	+ \$122,000	+ 6%	39%	18

The data in the table above shows the financial and non-financial performance of Roxy's Restaurant from 2017-19. Roxy Reynolds, the sole proprietor of the business, is considering how best to respond to these key performance indicators (KPIs).

Key performance indicators as sources of data to analyse the performance of businesses, including percentage of market share, net profit figures, rate of productivity growth, number of sales, rates of staff absenteeism, level of staff turnover, level of wastage, number of customer complaints and number of workplace accidents.

Management strategies to respond to key performance indicators, including staff training, staff motivation, change in management styles or management skills, increased investment in technology, improving quality in production, cost

Question 4 (7 marks)

Propose and justify one management strategy that could be implemented to position Roxy's Restaurant for the future. Consider the key performance indicators provided in the table in your response.

Sample Answer 1:

Staff motivation

- Based on the data, it is likely that Roxy's Restaurant has an issue with staff morale and safety. Net profit figures have declined considerably, and this can mostly be explained by the significant increase in staff turnover which has increased from 7% to 39% from 2017-2019. This has also impacted the quality of service, with complaints increasing by 6% in 2019 (after experiencing a decrease of 10% in 2017).
- Based on the increase in the number of workplace incidents (from 0 in 2017 to 18 in 2019), the main reason for staff dissatisfaction may be poor workplace safety.
- Staff motivation is a management strategy that clearly needs to be addressed by Roxy as it is likely that staff lack the necessary energy and drive at work to improve performance and remain with the restaurant.
- Roxy may look to implement the Four Drive theory (drive to acquire, bond, learn and defend) and address the safety concerns experienced by staff due to the rising number of workplace incidents.
- This could involve satisfying the drive to learn by investing in staff health and safety training (motivation strategy), which would increase their ability to perform job roles safely.
- This would also help address the drive to defend – ensuring staff feel safe at work – which has clearly been activated given the rising staff turnover.
- This would help position the restaurant for the future by reducing the level of staff turnover and helping to turn around the financial performance of the business. By retaining staff – who feel safer at work – this can promote improved customer service and help reduce the number of complaints.

cutting,
initiating lean
production
techniques and
redployment of
resources
(natural, labour
and capital).

Interpret key
performance
indicators to
analyse and
evaluate
business
performance.

Propose and
justify strategies
in response to
key
performance
indicators and
to assist in
implementing
change in a
business.

Sample Answer 2:

Cost cutting

- Based on the data, it is likely that Roxy's Restaurant has an issue with staff morale and safety. Net profit figures have declined considerably, and this can mostly be explained by the significant increase in staff turnover which has increased from 7% to 39% from 2017-2019. This has also impacted the quality of service, with complaints increasing by 6% in 2019 (after experiencing a decrease of 10% in 2017).
- Based on the increase in the number of workplace incidents (from 0 in 2017 to 18 in 2019), the main reason for staff dissatisfaction may be poor workplace safety.
- Cost cutting is a management strategy that involves assessing financial budgets and identifying areas where cost savings can be made, in order to stabilise the business's financial performance.
- Given the decline in net profit figures, Roxy may need to evaluate her staffing needs in order to reduce operating costs in the short-run while the business is faced with the financial constraints evident in the data.
- Another area that may be reviewed in the short-term is supplier contracts, with Roxy looking to cut costs by renegotiating contracts to help stabilise the fall in net profits experienced.
- Although it is clear from the data that the restaurant needs to address safety and training issues with staff, this may not be possible without identifying areas of the business that can be cut back in the short-term, to save money for investment in future training.
- Cost cutting will help position the business for the future by making necessary finance available during tough financial times for the business.

Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

7 Very High	<ul style="list-style-type: none">• All elements of the question addressed.• Clear identification and comprehensive explanation of one management strategy to respond to the KPI.• Response provides a comprehensive justification of how the chosen management strategy can help improve performance in areas declining and position the business for the future.• Comprehensive and appropriate consideration given to all of the KPI data provided.
5-6 High	<ul style="list-style-type: none">• Most elements of the question addressed.• Response provides a very good explanation of one management strategy to respond to the KPI data• Response provides a clear and appropriate justification of how the strategy will improve performance and position the business for the future.• A fair consideration given to the KPI data, referring to most of the KPIs provided.
3-4 Medium	<ul style="list-style-type: none">• Some elements of the question addressed.• Response provides a good explanation of one management strategy to respond to the KPI data, but may lack an effective justification of how the strategy will improve performance and position the business for the future.• A fair consideration given to the KPI data, referring to most of the KPIs provided.
1-2 Low	<ul style="list-style-type: none">• Few elements of the question addressed.• Little to no attempt made to identify and justify a management strategy to respond to the KPI data.• Response may provide no (or a superficial) consideration of the KPI data, providing a simple summary.
0 No score	<ul style="list-style-type: none">• Response does not demonstrate any understanding of KPIs or management strategies to respond.

As this is a 'propose and justify' question students are required to select one of management strategies to respond to KPIs listed in the Study Design (or another strategy they have learned as part of the Units 3&4 course). Students must give clear reasons why the chosen management strategy would improve business performance **and** position the business for the future. This question also requires students to consider the KPIs provided in the table. To 'consider', students must 'take account of' the factors influencing the business in its current situation. In this case, students consider what factors might be impacting on business performance by interpreting the KPI data provided, and this sets the parameters for how the management strategy chosen is justified. The sample responses provided give a good account of how students can propose and justify a management strategy, with careful consideration of how it would support improved business performance in the KPIs tabled.

“Unlike their parents or grandparents, today’s employee is not always motivated by a raise or promotion. Today, what really motivates employees involves a wide-range of well thought out drivers like feeling appreciated, doing meaningful work, and having a healthy work-life balance. Financial incentives may reduce intrinsic motivation and diminish positive corporate culture.”

Adapted from ‘What Really Motivates Employees? Research Reveals Secrets’. Albert Costill, 5 February 2020.

Motivation strategies including performance related pay, career advancement, investment in training, support and sanction.

Advantages and disadvantages of motivation strategies and their effect on short- and long-term employee motivation.

Compare and evaluate strategies used for motivation and training when managing a business.

Question 5 (10 marks)

Compare and evaluate two motivation strategies and their effect on short-term and long-term employee motivation. Justify which motivation strategy would better support a positive corporate culture within a business.

Sample Answer:

- *Performance-related pay refers to a financial reward to employees (as individuals or groups) whose work performance has reached or exceeded a set benchmark or standard.*
- *This strategy differs to career advancement, which refers to opportunities to be promoted to positions that include new (or greater) experiences, responsibility or authority within the business.*
- *These strategies share a similarity in that both should impact positively on employee motivation (particularly the drive to acquire).*
- *However, it could be argued that career advancement has greater benefits for long-term motivation as it can help satisfy the need to self-actualise, whereas performance-based pay may only address lower-order needs (e.g. physiological).*
- *Both strategies could lead to resentment from other employees who miss out on a performance bonus or career advancement opportunity.*
- *With respect to corporate culture – the shared values and beliefs that establish a ‘collective way of life’ for the business – career advancement would likely have a more positive impact compared to performance-related pay.*
- *This is because offering staff with career advancement opportunities can promote loyalty to the business and greater long-term motivation to strive for greater responsibility and recognition.*
- *Performance-related pay on the other hand, while effective at prompting improved motivation in the short-run, can actually breed a culture of competition among employees, which may not be healthy.*
- *Further, performance bonuses may be given one year following strong financial performance, but not the following year (despite circumstances out of employees’ control). This can have a negative impact on corporate culture, especially if employees feel they deserve a bonus.*
- *Overall, both motivation strategies can have a positive influence on corporate culture in the short- and long-term. However, as career advancement is an intrinsic drive within employees, it is more effective in creating a positive culture in the long-term.*

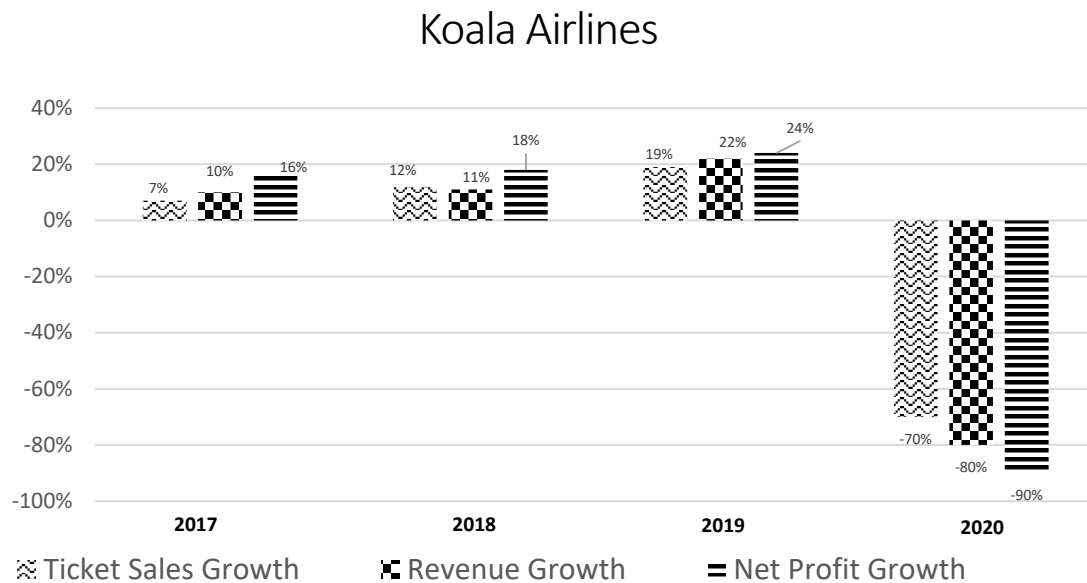
Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

9-10 Very High	<ul style="list-style-type: none">• All elements of the question addressed.• A sophisticated and thorough comparison of the similarities and differences between two motivation strategies, which shows an in-depth understanding of all key terms and concepts.• A sophisticated evaluation of the strengths and weaknesses of each motivation strategy.• A very high-level justification of which strategy would better support positive corporate culture.
7-8 High	<ul style="list-style-type: none">• Most elements of the question addressed.• A detailed comparison of two motivation strategies, which shows an understanding of most key terms and concepts.• A detailed evaluation of the strengths and weaknesses of each motivation strategy.• Response attempts to justify which strategy would better support positive corporate culture.
5-6 Medium	<ul style="list-style-type: none">• Some elements of the question addressed, which shows a moderate understanding of some key terms and concepts.• Attempted comparison of two motivation strategies, considering points of similarity or difference (but not both).• Attempted evaluation of each motivation strategy.• Little to no attempt made to justify which motivation strategy would better support positive corporate culture.
3-4 Low	<ul style="list-style-type: none">• Few elements of the question addressed, which shows only basic understanding of key terms and concepts.• Little to no comparison or evaluation of either motivation strategy – provides a basic explanation of one or two motivation strategies.
1-2 Very Low	<ul style="list-style-type: none">• Very limited response which provides one or two simple ideas related to employee motivation – e.g. may provide a basic outline of one or two strategies with no elaboration.
0 No score	<ul style="list-style-type: none">• Response does not demonstrate any understanding of motivation strategies or corporate culture.

Students should note that there are two different task words in this question. The first (compare) requires students to show an understanding of the points of similarity and difference between the chosen motivation strategies. The second (evaluate) requires students to show an understanding of the strengths and weaknesses of each motivation strategy, in this case related to fostering a more positive corporate culture. The sample response provided considers performance-related pay and career advancement as two motivation strategies. Students may use any of the motivation strategies listed in the Study Design, or others they have studied as part of the course.

Section B (25 marks)



Koala Airlines is an Australian-based airline that operates domestic and international flights out of all major Australian cities and destinations in Asia including Indonesia, Japan, New Zealand and China.

Senior management at Koala undertook a strategic review of the business in 2018, following the most successful five years in its history since its first flight in 2004.

As part of the review, management identified the following key strategic priorities for the 2019-2023 period:

1. Expansion of Koala flights to five new cities across North America and Europe by 2023.
2. Upgrading its aircraft fleet and expanding to 200 planes, including Wi-Fi capability in its domestic and international aircraft by 2021.
3. Introduction of passport-free and self-check-in technology at Melbourne and Sydney airports by 2020, and all other airports by 2022.

However, the 12 months from September 2019 to September 2020 have been some of the most challenging in Koala's history.

Severe unstable weather events including volcanic eruptions in Indonesia and New Zealand have impacted on flights. On top of this, a worse-than-usual flu season throughout Asia has combined to take an enormous financial toll on the business.

Suspended flights to and from Asia, delayed and cancelled flights to volcanic ash-affected areas, and global uncertainty have led to a 70% reduction in ticket sales and 90% fall in net profits.

Senior management are now reviewing their strategic priorities, with major concerns over the financial stability of the business and the level of capital investment required to achieve its objectives by 2023.

Business objectives including to make a profit, to increase market share, to fulfil a market and/or social need and to meet shareholder expectations.

Question 1 (2 marks)

Explain how the objectives of a company such as Koala Airlines differ from a social enterprise.

Answer:

- *Companies such as Koala Airlines exist to meet shareholder expectations and therefore their main priority is to generate profitable returns for the business and its shareholders. Some companies may invest resources in addressing social needs, but this is not the main priority.*
- *This differs to the objectives of a social enterprise. While these businesses are usually for-profit, their main objective is to fulfil a social need – e.g. supporting disadvantaged groups in society such as the homeless. This is the main priority for social enterprises which reinvest some or all of its profits into the business.*

Marking protocol:

One mark for each of the above points.

All responses in Section B must relate back to the case study (Koala Airlines). It is important that students explore a point of difference between the objectives of a company and a social enterprise. If a simple outline of the objectives for each type of business is provided, a maximum of one mark should be awarded.

Question 2 (6 marks)

Apply Lewin's Three Step Change Model to one of the three strategic priorities at Koala Airlines.

Sample Answer 1:

Expansion of flights to North America and Europe

- *The first step of Lewin's model is to Unfreeze. This involves preparing the business environment for change by identifying what needs to change, and why. This stage is important to ensuring stakeholders see change – such as the expansion of flights to North America and Europe – as important and necessary.*
- *As part of this step, management at Koala Airlines (KA) must conduct a SWOT analysis and decide the necessity of this change given the global factors impacting on their success. It may be that management communicate with shareholders and employees the importance of pushing ahead with this planned change to allow the business to expand its customer base and revenue to less affected areas (i.e. Europe).*
- *The next step is to Change, which involves management at KA actually implementing the planned changes and shifting the business from its current state to its desired future state (i.e. operating flights to North America and Europe).*
- *During this step, management at KA must put new contracts and agreements in place with airports throughout North America and Europe, and negotiate a new agreement with pilots and flight attendant staff which cover their new flight schedules. Management would also need to carefully plan their new flight schedules, possibly cancelling some Asia-bound flights to expand its capacity for North America and Europe (which would help to address its financial concerns).*
- *The third and final step is to Refreeze, which involves anchoring the change in the business so that the 'new way of life' for the business is embedded in its policies, structures, etc. This ensures the business does not revert to old habits.*
- *To ensure its new flight schedules to North America and Europe are embedded in the business, management at KA could restructure the business to ensure resources – management, employees, aircraft, etc. – are allocated to these new destinations. Management could also hold celebrations for staff and customers on the first flights to/from its new destinations to solidify the fact it is now an airline operating in these new markets.*

Sample Answer 2:

Upgrade and expand aircraft fleet

- *The first step of Lewin's model is to Unfreeze. This involves preparing the business environment for change by identifying what needs to change, and why. This stage is important to ensuring stakeholders see change – such as the upgrade and expansion of its aircraft fleet – as important and necessary.*
- *As part of this step, management at Koala Airlines (KA) must conduct a SWOT analysis and decide the necessity of this change given the global factors impacting on their success. It may be that management decide it is necessary to do one or the other (i.e. increase its fleet or upgrade technology in existing aircraft) as it may not be able to afford both.*

- *The next step is to Change, which involves management at KA actually implementing the planned changes and shifting the business from its current state to its desired future state (i.e. expanding its fleet to enable new flight schedules to other continents).*
- *During this step, management at KA must negotiate contracts with suppliers of new aircraft, train and develop its existing staff in any new operating procedures, and revise their flight schedules to expand the number of flights offered so that new aircraft are fully utilised.*
- *The third and final step is to Refreeze, which involves anchoring the change in the business so that the 'new way of life' for the business is embedded in its policies, structures, etc. This ensures the business does not revert to old habits.*
- *Management at KA would need to ensure training manuals are upgraded and staff performance is managed in line with new operating procedures on the new aircraft. Management could also hold celebrations for staff and customers on the first flights using its new aircraft to give stakeholders something positive to enjoy, and optimism in the change being completed.*

Sample Answer 3:

Introduce passport-free check-in

- *The first step of Lewin's model is to Unfreeze. This involves preparing the business environment for change by identifying what needs to change, and why. This stage is important to ensuring stakeholders see change – such as the expansion of the introduction of passport-free check-in – as important and necessary.*
- *As part of this step, management at Koala Airlines (KA) must conduct a SWOT analysis and decide the necessity of this change given the global factors impacting on their success. It may be that management see this investment in technology as a way to reduce ongoing operating costs and redeploying staff to other important areas – such as customer relations – to keep the business afloat.*
- *The next step is to Change, which involves management at KA actually implementing the planned changes and shifting the business from its current state to its desired future state (i.e. actually introducing the technology at airport terminals).*
- *During this step, management at KA may wish to have facial recognition technology installed at its check-in terminals. Management will need to train staff (and customers) on how to use this, as it would be new to these stakeholders. Finally, management would need to be clear in communicating redeployment of staff and provide ongoing support to ensure they remain motivated and high performing in new roles.*
- *The third and final step is to Refreeze, which involves anchoring the change in the business so that the 'new way of life' for the business is embedded in its policies, structures, etc. This ensures the business does not revert to old habits.*
- *To ensure the passport-free check-in process is solidified in KA's practices in the future, management must ensure that staff are encouraging its use and not reverting back to the slower physical*

passport checks. Management would need to re-write policies around check-in and hold staff accountable for a more efficient process, while rewarding others who are using it as hoped.

Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

5-6 High	<ul style="list-style-type: none"> • All elements of the question addressed. • A very high-level explanation of all steps of Lewin's Three Step Change Model, which shows an in-depth understanding of the concept. • Response provides clear and appropriate links to how each step can be used to support management at Koala Airlines in achieving one of its three strategic priorities.
3-4 Medium	<ul style="list-style-type: none"> • Some elements of the question addressed, which shows a moderate understanding of concepts. • Response may provide a high-level explanation of two or three steps of the change model, and some limited application to one of Koala Airlines' strategic priorities.
1-2 Low	<ul style="list-style-type: none"> • Few elements of the question addressed. • Limited explanation of the model, which shows only a basic understanding of the concept.
0 No score	<ul style="list-style-type: none"> • Response does not demonstrate any understanding of Lewin's Three Step Change Model.

All responses in Section B must relate back to the case study (Koala Airlines). Responses must explain each of the steps of the Three Step Change Model (Lewin) and then apply each to the current situation at Koala Airlines. There is no expectation that students refer to all three strategic priorities, though they may. It is sufficient to focus on the implementation of change related to one of the strategic priorities.

The two key approaches, lower cost and differentiation, to strategic management by Porter's Generic Strategies (1985).

Apply business management knowledge to practical and/or simulated business situations.

Question 3 (4 marks)

Explain how management at Koala Airlines could apply Porter's Generic Strategies to address the current situation.

Answer:

- *According to Porter, the lower cost strategy involves seeking to gain an advantage over rivals by having the lowest business costs in the industry.*
- *This allows a business to maximise profits by having higher profit margins (i.e. charging a similar price to rivals) or offering lower prices and achieving a higher number of sales and revenue.*
- *Koala Airlines are experiencing a financial crisis due to factors (natural disasters) which are outside of its control. In the short-term, management must monitor budgets and identify areas where costs can be cut, in order to stabilise the business's net profit figures.*
- *The lower cost strategy may involve the business downsizing its labour force to reduce labour costs. They might also seek to reduce the number of scheduled flights if customer demand continues to be low, to ensure planes are at or near capacity when flying. These actions would help reduce operating costs and help to stabilise profits.*

Marking protocol:

One mark for each of the above points.

All responses in Section B must relate back to the case study (Koala Airlines). Given the financial crisis the business is in and other factors present in the case study, it would not be appropriate for responses to consider the differentiation strategy. Responses exploring this should be awarded 0 marks. It must be clear how the low cost strategy could help management stabilise the financial performance of the business in the short-term.

Key principles of the following theories of motivation: Hierarchy of Needs (Maslow), Goal Setting Theory (Locke and Latham) and the Four Drive Theory (Lawrence and Nohria).

Examine and apply the key principles of the theories of motivation.

Apply business management knowledge to practical and/or simulated business situations.

Question 4 (6 marks)

Examine how management at Koala Airlines could implement one theory of motivation to successfully manage employees throughout this period.

Sample Answer 1:

Maslow's Hierarchy of Needs

- Maslow's Hierarchy of Needs argues people have five needs, which are arranged in a hierarchy of importance from lower-order needs – physiological (e.g. a job), safety (e.g. job security) and social (e.g. positive relationships with peers), to higher-order needs – esteem (e.g. a sense of job-related competence) and self-actualisation (e.g. personal growth and accomplishment of goals).
- Once a need is satisfied, a person progresses to the next unmet need (however, if a previously met need becomes unmet, the person will revert back to that level in the hierarchy).
- Due to the financial decline of the business, employees at Koala Airlines will likely revert back to the 'safety' need as their job security will unlikely be met.
- Maslow's theory provides management with a simple way of identifying employee needs and strategies to support them based on their position in the hierarchy.
- Using this theory, it would be clear to management that employees lacking job security will need clear and open communication, and assurance around the future of the business and their role (which may help maintain employee motivation while the crisis runs its course).
- However, Maslow's theory does assume that all people have the same needs in the same hierarchical order, which may not be true for all. In using this theory, management at Koala Airlines may take a 'one-size-fits-all' approach to addressing safety needs. Some employees may respond differently to the crisis than others and may have additional needs (e.g. social) that still need to be addressed.

Sample Answer 2:

Locke and Latham's Goal Setting Theory

- Locke and Latham's Goal Setting Theory argues that people are motivated by setting goals which are collaboratively developed, clear, specific and challenging (but not overwhelming).
- Motivation to achieve the goal is then reinforced by receiving ongoing, constructive feedback regarding their performance.
- Due to the financial decline of the business, management at Koala Airlines may need to re-establish more appropriate goals for employees to work towards until the crisis runs its course.
- For example, new sales targets may need to be set which extend employees, but are not out of reach given the factors out of the business's control impacting sales. This will help give employees direction and ensure they are invested in supporting the business to survive.
- Management should also continue to provide employees with clear and constructive feedback on their performance during this difficult period. This should ensure motivation levels remain high as employees will feel a sense of accomplishment despite the difficulty of the situation.
- However, given the seriousness of the threats to the business's financial performance, setting new goals may prove difficult for employees. As they cannot control the decline in customers, it may be setting employees up for failure and therefore limit their motivation.

Sample Answer 3:

Lawrence and Nohria's Four Drive Theory

- *Lawrence and Nohria's theory argues that people have four drives which influence motivation – the drive to acquire (e.g. responsibility, power, etc.), bond (e.g. form positive relationships with peers and management), learn (e.g. develop new skills), and defend (e.g. feel safe and secure in one's job).*
- *The theory argues that the drive to acquire, bond and learn co-exist and are always active. The drive to defend is activated in the face of a threat to a person's safety or job security.*
- *Due to the financial decline of the business, employees at Koala Airlines will likely be experiencing a threat to their job security, which would activate the drive to defend.*
- *The four drive theory is very contemporary and easily applicable to most workplaces, including the situation at Koala Airlines.*
- *Understanding that employees may be experiencing an active drive to defend, they can easily strategise to address this – e.g. hold a meeting with staff to communicate the situation and potential course of action.*
- *However, this theory does not account for the relative strength of each individual drive. Employees in some parts of the business (e.g. flight staff) may be more at risk of losing their jobs than others. This would require management to take a tailored approach to dealing with the crisis with different groups of employees to ensure motivation is maintained.*

Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

5-6 High	<ul style="list-style-type: none">• All elements of the question addressed, which shows a sophisticated understanding of concepts.• A high-level explanation of one relevant motivation theory.• A high-level examination of how the motivation theory chosen could assist in managing staff and motivation at Koala Airlines – may consider both sides.• Response makes consistent and effective reference to the current situation at Koala Airlines.
3-4 Med- ium	<ul style="list-style-type: none">• Some elements of the question addressed, which shows a good understanding of concepts.• A good explanation of one relevant motivation theory.• A satisfactory examination of how the motivation theory chosen could assist in managing staff and motivation at Koala Airlines – i.e. provides one to two reasons why it would be effective (or not).• Response may lack adequate reference to the current situation at Koala Airlines.
1-2 Low	<ul style="list-style-type: none">• Few elements of the question addressed, which shows only basic understanding of concepts.• Response may provide a basic explanation of the chosen motivation theory.• Little to no examination of a chosen motivation theory.
0 No score	<ul style="list-style-type: none">• Response does not demonstrate any understanding of chosen motivation theory.

All responses in Section B must relate back to the case study (Koala Airlines). As this is an 'examine' question, students are required to use their theoretical knowledge of a concept – in this case the motivation theories, to make an assessment of its appropriateness given the business case presented. To 'examine' effectively, students should consider the theory/concept in detail and assess whether it would benefit the business (or the extent to which it would benefit the business).

The importance of leadership in change management.

Apply business management knowledge to practical and/or simulated business situations.

Question 5 (3 marks)

Describe the importance of leadership in change management given the current situation at Koala Airlines.

Answer:

- *Leadership refers to a process of guiding and motivating others toward a common goal or vision. Effective leaders build a strong collective vision, build trusting relationships with people, and communicate clearly and openly to ensure all parts of the business work together.*
- *Effective leadership will be required during any change process implemented at Koala Airlines (KA) to help it survive the current financial crisis. This is because employees will be fearful of the decline in sales, revenue and profits on them personally (e.g. becoming redundant), making them resistant to any potential changes.*
- *Management at KA will need to be open and honest in their communication with staff to ensure trust is established so that rumours are not spread (which could undermine KA further).*
- *Management must ensure employees remain connected to a clear vision during this difficult period, and that any change implemented is based on employee involvement so that they maintain some control in their role.*
- *Management at KA must make clear and decisive decisions to lead the business through this period of uncertainty. Leaders are able to make decisions which are considered fair and which support the business and its people to achieve short- and long-term goals during any change process.*

Marking protocol:

One mark for the first point and then any two of the following points, to a maximum of two.

All responses in Section B must relate back to the case study (Koala Airlines). Responses that provide only a definition of leadership can be awarded a maximum of one mark. Responses should give at least one reason why leadership is needed given the current situation at Koala Airlines. Responses that give only a theoretical reason (with no reference to KA) for the importance of leadership should only receive one of the further two marks available.

Management skills including communicating, delegating, planning, leading, decision-making and interpersonal.

Apply business management knowledge to practical and/or simulated business situations.

Question 6 (4 marks)

Explain two management skills that senior management at Koala Airlines will require during this period of financial uncertainty.

Sample Answer 1:

Communication and leading

- *Communication is a process of exchanging ideas and information between people to support the day-to-day running of the business.*
- *Leading is a process of guiding and motivating others toward a common goal or vision by building a strong collective vision, trusting relationships with people and ensuring all parts of the business work together.*
- *During the financial crisis faced by Koala Airlines (KA), management must communicate openly, honestly, and regularly. This will ensure employees are not left 'in the dark' about the impact of the business's 80% decline in sales and 90% decline in net profits on them or their job.*
- *Management must also show effective leadership to ensure employees remain connected to KA's vision. While their 2023 growth targets may need to be set aside for the short-term, management must establish a relationship of trust with staff so that any changes are faced with support and not resistance.*

Sample Answer 2:

Planning and interpersonal skills

- *Planning refers to a process of setting short, medium and long-term objectives, and strategies to achieve them, so that the business is able to achieve its mission and vision.*
- *Interpersonal skills refer to the ability to build positive and trusting relationships with staff so that they are supportive of management and business practices.*
- *During the financial crisis faced by Koala Airlines (KA), management must establish a short-term plan to deal with the decline in sales and profits. This would involve assessing its current strengths, weaknesses, opportunities and threats so that management can develop strategies to see it through the crisis.*
- *Management must also ensure interpersonal relationships are maintained with staff, especially as any changes are implemented to deal with the crisis. These 'people skills' would ensure that staff are involved in the process and their morale is maintained.*

Sample Answer 3:

Delegating and decision-making

- *Delegating involves the passing of authority down to subordinates to perform tasks or make decisions, monitoring performance and providing support where necessary.*
- *Decision-making refers to the ability to apply a systematic process to solving problems that arise in the day-to-day operations of the business.*
- *During the financial crisis faced by Koala Airlines (KA), management may be faced with the challenge of addressing several tasks at once – assessing budgets, downsizing, rescheduling flights, etc. Management must be skilful in choosing the right tasks to delegate to employees to free up their time to focus on managing the crisis, while keeping the business on track to achieve its goals.*

- *Management must also make quick and decisive decisions which focus on addressing the problem of a 70% fall in ticket sales, 80% fall in revenue and 90% fall in net profits. Any decisions taken (e.g. redundancies) must be evaluated and monitored once implemented to ensure the desired effect on future performance is achieved.*

Marking protocol:

This answer is globally marked (i.e. an overall mark is awarded for the entire answer). The following criteria could be used to assess a response:

4 High	<ul style="list-style-type: none"> • All elements of the question addressed, which shows a sophisticated understanding of concepts. • A high-level explanation of two management skills. • A high-level explanation of how each management skill will support Koala Airlines during the period of financial uncertainty. • Response makes consistent and effective reference to Koala Airlines.
3 Medium	<ul style="list-style-type: none"> • Some elements of the question addressed, which shows a good understanding of concepts. • A good explanation of two management skills. • A good explanation of how one (or both) of the management skills will support Koala Airlines. • Response may lack reference to Koala Airlines.
1-2 Low	<ul style="list-style-type: none"> • Few elements of the question addressed, which shows only basic understanding of concepts. • Response may provide a basic explanation of one (or both) of the management skills.
0 No score	<ul style="list-style-type: none"> • Response does not demonstrate any understanding of management skills.

All responses in Section B must relate back to the case study (Koala Airlines). The sample answers above consider all of the management skills listed in the Study Design - communication, leading, planning, delegation, decision-making and interpersonal skills to address the financial crisis at Koala Airlines. Responses may consider any of these management skills, or others taught as part of the Units 3&4 course (e.g. time management, stress management, negotiation, etc.).