



# 2021 VCE Business Management external assessment report

## General comments

Student performance on the 2021 examination was in line with their performance on the preceding few years. It is pleasing to note that students are still able to display good content knowledge, showing their ability to learn and revise the course material is improving. However, there are still issues when it comes to interpreting and responding to specific questions accurately.

Students are reminded that all their responses in Section B must refer to the case material provided, even if the question does not explicitly state this. Questions 1 and 3 in Section B did not explicitly refer students to the case material. The preliminary material at the beginning of the section states that they should do so, as does the examination material in the study design. It is therefore an expectation that students refer to the case material in all questions.

There were some common errors in responses to the 2021 examination. Students are encouraged to read the questions carefully. This will allow them to interpret the demands of the question and therefore be both accurate and comprehensive in their response.

- Students must address every element of the question within their response in order to achieve full marks.
- Students need to note the limitations inherent in a question. For example, if a question only asks for one example, any further examples cannot be assessed and do not help the student achieve a higher score.
- Students should analyse all the choices available and choose carefully to best reflect their knowledge and ability.
- Students should note the command term in the question so they can accurately answer the question.

## Specific information

Note: Student responses reproduced in this report have not been corrected for grammar, spelling or factual information.

This report provides sample answers, or an indication of what answers may have included. Unless otherwise stated, these are not intended to be exemplary or complete responses.

The statistics in this report may be subject to rounding resulting in a total more or less than 100 per cent.

## Section A

### Question 1a.

| Mark | 0 | 1  | 2  | Average |
|------|---|----|----|---------|
| %    | 9 | 34 | 57 | 1.5     |

To achieve full marks for this question, students needed to explain what a stakeholder was (someone who has a vested interest in the activities of the business), as well as name an appropriate stakeholder for the software business.

Common mistakes were confusing shareholders and stakeholders or simply stating that stakeholders had an involvement or control over the business.

The following is an example of a high-scoring response as both elements named above are addressed.

*A stakeholder is a group, individual or organisation who has a vested interest in the business. This means they are affected directly or indirectly with the Australian Software Business (ASB). Someone who has a vested interest in Fran's ASB is the shareholders, as it is a public listed company.*

### Question 1b. 4 marks Old Study Design

| Mark | 0  | 1  | 2  | 3  | 4  | Average |
|------|----|----|----|----|----|---------|
| %    | 29 | 10 | 22 | 28 | 12 | 1.9     |

To successfully respond to this question, students needed to identify (name) one area of management responsibility and then name one business objective. They then had to explain how that area of management responsibility could contribute to achieving that objective.

Responses that scored highly gave specific explanation, often including an example, of how the area of management responsibility could assist in achieving the objective. For example, a student might name finance as their area of management responsibility and then explain how this area of management responsibility might help the business achieve the objective of making a profit.

Responses that did not score well were either missing one component of the question, or were too general in their answer. For example, a low-scoring response might simply state that finance will help achieve the objective of making a profit without providing details of how that might occur.

In the following example of a high-scoring response, you will note that the area of management responsibility is named and there are specific details provided about how that area will achieve a specific objective.

*One area of management responsibility is Human Resources, which is the area responsible for developing and maintaining the relationship between employees and a business. This includes aspects such as hiring and termination of employees within the business. This area can help contribute to business objectives as the human resource manager can apply motivational strategies and theories to help boost staff morale and drive within employees. Employees within a business such as the Australian Software Business can improve overall performance if they have increased motivation, as they may be more inclined to work to the best of their ability to increase customer satisfaction via improving their customer service. This as a result could lead to increased profits for businesses such as Fran's software business, due to human resources motivating employees.*

## Question 2a.

| Mark | 0 | 1  | 2  | 3  | 4  | Average |
|------|---|----|----|----|----|---------|
| %    | 6 | 18 | 33 | 28 | 15 | 2       |

To successfully answer this question, students needed to do more than define leadership. The question was asking why leadership was important in managing change. Responses that scored highly focused on the 'importance' of leadership in this context. Students were expected to detail how leadership can contribute to successful change management. Often this started with an explanation of what leadership was, but then it needed to continue to include, for example, what will occur in change management if there is leadership as a means of underlining the importance of leadership.

Students could have referred to the following:

- communication regarding the change
- support to employees or stakeholders not coping with change
- training if needed.

Responses that did not score well tended to state that 'good' leadership would result in successful change management without saying how.

The following is an example of a high-scoring response.

*Change management is the process of monitoring and implementing strategies within a business to assist in change. Leadership within this involves encouraging and motivating employees to work towards business objectives within a transformation. This is crucial as by leading employees to embrace transformation it can ensure the transformation is implemented more successfully overall. Leadership in change management can include providing employees with a shared vision and communicating this clearly. In doing this all members of a business are more likely to understand the benefits and reasons for a change as well as better understand their role in implementing the transformation. Having clear goals and visions for how and why a transformation is occurring can mean employees will get involved, better allowing objectives to be met throughout the transformation.*

## Question 2b.

| Marks | 0  | 1 | 2  | 3  | 4  | 5  | 6  | Average |
|-------|----|---|----|----|----|----|----|---------|
| %     | 12 | 7 | 14 | 17 | 24 | 15 | 10 | 3.2     |

Students are reminded that 'contemporary' in the context of the current study design is within the last four years. If the response included a change that occurred more than four years ago it could not be awarded full marks.

Responses that scored highly were able to provide a thorough analysis of both driving and restraining forces, demonstrating good knowledge of these concepts. They also provided consistent and relevant reference to a contemporary business case study

Responses that did not score well tended to provide no link between the forces and the change for the contemporary business.

Some students used one of the hypothetical businesses in the examination paper as their contemporary business case study. This is not appropriate and such responses could not be awarded full marks.

The following is an example of a fairly successful response.

*Big W is a chain of Australian discount stores owned by the Woolworths group. In 2019, Big W CEO Brad Banducci announced that he was going to close 30 stores across Australia from 2019 to 2021 to be 'more profitable'.*

*One driving force for this change was the manager, Brad Banducci. Having a vested interest in the profitability of the company, the manager promoted the change as the change (store closure) involved personal interest for him; the success of the company and inflated net profit figures.*

*One restraining force was financial considerations. There was a \$270 million exit fee to be paid to landlords for the 30 store closures across Australia. This factor actively resisted and hindered the change. Brad Banducci would have had to consider this restraining force and the possible detriment it could cause to the company, however, it seems as though since the change within Big W was successfully implemented, Banducci believed there to be more benefit in closing the 30 stores to improve profitability, exceeding the weight of this restraining force.*

*Another restraining force was employees. During the store closures, employees feared redundancy and were therefore anxious and fearful. Banducci was able to reduce this restraining force's influence on the change by assuring all employees within the 30 stores that they would be redeployed to other areas of the Big W or wider Woolworths group.*

This response would have benefited from a second driving force and further theoretical analysis of the driving and restraining forces.

### Question 3

| Marks | 0  | 1 | 2  | 3  | 4  | 5  | 6  | 7  | 8 | 9 | 10 | Average |
|-------|----|---|----|----|----|----|----|----|---|---|----|---------|
| %     | 10 | 8 | 10 | 11 | 13 | 14 | 13 | 10 | 6 | 3 | 1  | 4.2     |

Students needed to:

- explain the difference between official and real corporate culture
- identify a management strategy that will develop corporate culture and then go on and explain how that strategy will also promote the achievement of business objectives
- identify a second management strategy that will develop corporate culture and then go on and explain how that strategy will also promote the achievement of business objectives.

Most students were able to explain what official and real corporate culture was, and most were able to compare them. With regard to the other part of the question, students tended to identify a strategy and explain how it would develop corporate culture but then not relate it to objectives, or identify a strategy and explain how it would help to achieve objectives without reference to corporate culture. Few students were able to do both.

While a broad range of strategies could have been chosen, selecting two that allowed a response that addressed both parts of the question proved challenging to many students.

Strategies for developing corporate culture that could have been used included:

- giving staff training that reflects the values of the business
- communicating desired values to staff
- highlighting key values and practices within the business as written in mission and vision statements
- developing policies or codes of conduct that reinforce culture
- developing symbols (events or objects that represent something that is important such as training and development, sporting events, positive competition)
- rewarding staff who show desired values
- recruiting staff who fit in with the values of the business when vacancies become available

- creating rituals, rites and celebrations such as social gatherings or working in small teams
- changing management styles
- changing the styles of dress and language used in the business
- celebrating 'heroes' / successful employees who reflect the business' values and act as an example to others.

The following is an example of a high-scoring response. You will note that the student was able to explain the difference between official and real corporate culture, identify a management strategy that will develop corporate culture and then go on and explain how that strategy will also promote the achievement of business objectives and then repeat that final stage.

*All businesses have corporate culture in which all employees are a part of and contribute to. Corporate culture is the values, ideas, beliefs and expectations that employees hold within a business. There are two forms of corporate culture. Firstly there is official corporate culture. This is the culture that the business wishes to achieve, and it is set in policies and procedures and from the outer of a business, official corporate culture is all that can be seen. However, there is real corporate culture too. This is the corporate culture that actually occurs within a business, despite policies and procedures, and it can be observed in how employees interact with one another and how communication and social aspects are carried out.*

*A management strategy for developing a corporate culture that promotes the achievement of business objectives is recognition programs. This is where employees are recognised by the business by displaying exemplar work and behaviour. This would positively impact corporate culture as not only is it very motivational for the recognised employee, but for surrounding coworkers. The recognised employee will see a relationship between their hard work and a reward, and will feel inspired and motivated to continue working toward being rewarded and recognised. This also helps an employee to feel valued by the business, making them want to be as helpful and productive towards the business in achieving objectives. This recognition program is also motivational to coworkers as they will see that coworker being acknowledged and want that for themselves. A recognition program could be hosted as an event, which promotes social gathering and an overall ambience of positive corporate culture, hence, leading to a cascade effect on employees wanting to also achieve business objectives and be recognised.*

*Another management strategy for developing good corporate culture is a change of management style. Some management styles are too harsh, such as an autocratic approach, which allows for no employee contribution, and in some cases resentment. Having a management style, such as consultative, where there is an open communication channel, and employees are empowered to come up with ideas and better the business promotes positive corporate culture, and a collaborative approach in achieving business objectives, as there is a much larger pool of talent to draw upon in decision making. Hence this management style will promote positive corporate culture through collaboration and empowerment, that will promote the achievement of business objectives.*

## Question 4a.

| Mark | 0  | 1 | 2 | 3  | 4  | Average |
|------|----|---|---|----|----|---------|
| %    | 20 | 8 | 9 | 17 | 46 | 2.6     |

This question was generally answered well. There were two parts to the requirements of a high-scoring response. The first was a theoretical explanation of the elements of the operations system: inputs, processes and output. Examples were not necessary, although many students included some illustrations of their explanation.

The second part of the response was an accurate application of one of the elements of the operations system to WCTY Cleaning Services. An explanation was required, so simply naming the elements did not meet the requirements of the question.

The following is an example of a high-scoring response.

*The first element of the operations system is inputs. These are the raw materials and resources, sourced from suppliers that will be used within operations to produce a profitable product/service. The second element is transformations. Transformations is where inputs are put through many processes within the operations system to become an output. The third element is outputs. An output is the final/end product/service the business invested its time and resources into producing, the profitable end product/service. WCTY Cleaning Service is a service based business, but their inputs remain fairly similar to a manufacturing business. Their inputs would be labour, cleaning tools such as vacuums, mops, washing machines, that are used to perform the service of cleaning homes.*

## Question 4b.

| Mark | 0  | 1  | 2  | 3  | Average |
|------|----|----|----|----|---------|
| %    | 48 | 23 | 17 | 11 | 0.9     |

This question required students to respond to how technological developments would improve the efficiency in operations of a service firm. Many students were unable to address the focus of the question, which related to an improvement in operations of a service firm.

Website development, if chosen, must relate to operations and so it would need to relate to a process that is not sales and marketing related.

Responses that scored highly tended to refer to equipment that used less materials, energy or human input, such as robotic vacuum cleaners and self-cleaning windows. This allowed them to explain the technological development and relate it to an improvement in efficiency in operations.

The question did require a reference to the business WCTY Cleaning Services.

The following is an example of a high-scoring response.

*If WCTY Cleaning Services were to adopt technological developments such as adopting more advanced cleaning materials, they could improve the efficiency of their operations system. This is because the use of more advanced technology such as more advanced cleaning materials will allow them to save time when providing their services. With the example of adopting technological development through the use of using more advance cleaning tools, WCTY Cleaning Services will be able to save time, as these tools will likely be able to perform jobs quicker, while still maintaining a high quality in the service provided, hence improving efficiency in operations as time is being saved without sacrificing quality.*

## Question 4c.

| Mark | 0  | 1  | 2  | 3  | Average |
|------|----|----|----|----|---------|
| %    | 12 | 24 | 43 | 22 | 1.7     |

Students were expected to describe how forecasting or Just in Time would lead to the efficient management of materials at the service firm WCTY Cleaning Services. It was not implicitly required that a definition of the strategy chosen would be included but it was impossible to respond appropriately without some explanation of the strategy.



Responses that scored highly showed how the use of the strategy would lead to the efficient use of materials and then specifically related it to the business WCTY Cleaning Services. Many students did not relate it well to the cleaning business.

It is worth noting that students were not expected to have expert knowledge of cleaning businesses but a general understanding of material use in a service firm was needed.

The following is an example of a high-scoring response.

*WCTY Cleaning Services could use forecasting. Forecasting is a materials strategy which involves analysing past data and market trends to make an educated prediction about customer demand for an upcoming period.*

*WCTY Cleaning Services could analyse this data and make predictions about the amount of materials e.g. Sponges, staff (labour resources) required to meet customer demand for an upcoming period e.g. if a holiday e.g. Christmas is approaching and there is a demand for house cleaning. WCTY Cleaning Services will be prepared as they will predict this demand and order sufficient materials. This efficiently manages materials by reducing waste and optimising resources as it prevents the possibility of over-ordering and therefore, inventory stock expiring or being damaged. Furthermore, this will improve productivity by preventing halts to production caused by insufficient materials.*

## Question 4d.

| Marks | 0  | 1  | 2  | 3  | 4  | 5 | Average |
|-------|----|----|----|----|----|---|---------|
| %     | 28 | 15 | 21 | 20 | 12 | 3 | 1.8     |

This question asked students to select a quality strategy (the study design states TQM, Quality Assurance or Quality Control), which they then had to explain, justify its use in the context of the service business WCTY Cleaning Services, and finally show how that strategy would lead to consistency across all the branches of the business.

Generally speaking, this question was not answered well. Many students did not explain one of the quality strategies with accuracy and detail, and few were able to relate its use to a service firm. Students who chose Quality Control often struggled to relate the checking or benchmarking element of that process to a service firm, especially a cleaning business. TQM was generally readily applied to the service business, while Quality Assurance, with the focus on the whole business, was often able to be related well to consistency across all branches. Few students were able to bring all three elements of a good response together.

The following is an example of a high-scoring response.

*WCTY Cleaning Services could use total quality management (TQM). This is a holistic approach to quality management which involves employees being continuously committed to improving the quality of this product or service. This occurs through three steps of: customer focus, continuous improvement and employee empowerment.*

*This could be implemented to ensure high quality cleaning by first looking at customer focus, addressing the desires and needs of customers and the desires that WCTY Cleaning Services intends to fulfil. Next the business should look at continuous improvement which involves looking at the method used by the business e.g. scrubbing with one hand, and identify methods to improve it e.g. scrubbing with two hands. Lastly, the business should look at employee empowerment which involves fostering an environment of employee participation and encouragement. This step could involve regularly conducting quality circles, where a group of employees meet and discuss solutions to quality related problems. These steps will ensure that all employees are committed, and motivated to improving the quality of their service so that the entire business, across all branches, is performing to a high standard that satisfies customers' needs.*





## Question 5a.

| Mark | 0 | 1  | 2  | 3  | 4  | Average |
|------|---|----|----|----|----|---------|
| %    | 6 | 17 | 24 | 35 | 18 | 2.4     |

Students were required to identify a stakeholder group, such as employees, managers, customers or suppliers. Students then needed to describe a low-risk strategy that could be used and link that strategy to overcoming the resistance displayed by the selected stakeholder group. Low-risk strategies, as stated in the study design, include communication, empowerment, support and incentives. The focus of the question was to link the strategy to how it would overcome resistance.

Most students were able to identify a relevant stakeholder and describe a low-risk strategy.

Responses that did not score well were unable to describe how that strategy would overcome resistance. Just stating that the strategy will work was not sufficient – students needed to explain how the strategy will work. In the response below the student provides detail about how the strategy will reduce resistance, thus meeting the demands of the question.

When addressing the change at the business, students could have referred to the sale of the business to a multinational chain or the impending retrenchment of staff – they were not required to consider both aspects of the change.

The following is an example of a high-scoring response.

*One stakeholder group that may resist the change is employees who work at the store in order to help the achievement of objectives. Employees want job security and with the fact that 20% of staff who will be retrenched, this could cause resistance in employees. To overcome this support which is the verbal and initiatives in place to help employees manage the change. Alex could offer support in resume writing or interview skills to the employees that will be retrenched. This makes employees leaving feel supported, while also shows current employees that management cares for their staff. This could cause less resistance which helps the success of the change.*

## Question 5b.

| Mark | 0  | 1  | 2  | Average |
|------|----|----|----|---------|
| %    | 20 | 31 | 49 | 1.3     |

This question was handled reasonably well. Marks were awarded for the bold terms in the definitions listed below. Responses that did not score well tended to focus on how management might motivate employees.

Possible responses included:

- Motivation is the **inspiration** or **desire to achieve an outcome**.
- Motivation is the **reason or drive** behind why a person **puts in an effort**.
- Motivation is an **individual, internal** process that **directs, energises and sustains** a person's behaviour.
- Motivation is the desire that **directs and sustains** a person's behaviour to work well and ensure that there is a **continuing commitment** to improve performance.

The following is an example of a high-scoring response.

*Is the ability for an individual to be inspired and encouraged to take on tasks and undergo different activities. In relation to this large gaming store, this would involve being influenced and inspired to take on business activities and perhaps to strive to have the best performance relative to the individual.*

## Question 5c.

| Mark | 0  | 1  | 2  | 3  | Average |
|------|----|----|----|----|---------|
| %    | 10 | 19 | 51 | 21 | 1.8     |

Many students were able to propose and justify a strategy to increase motivation; however, few students were able to link the strategy to the gaming store. For example, students could have suggested Alex provide support, training, performance-related pay, or training to increase employee motivation.

As the question refers to strategies, students were able to refer to:

- motivation strategies – performance-related pay, career advancement, investment in training, support and sanction
- performance management strategies – management by objectives, appraisals, self-evaluation and employee observation
- strategies to respond to key performance indicators (KPIs) – staff training, staff motivation, change in management styles or management skills, increased investment in technology, improving quality in production, cost cutting, initiating lean production techniques and redeployment of resources
- strategies to overcome employee resistance (high and low risk).

Some student responses used the same strategy here as they used in Question 5a. This was accepted.

The following is an example of a high-scoring response.

*Performance related pay refers to attaching an employees performance or work with a financial, or non-financial, reward. In this case, Alex could implement this motivation strategy by offering and handout out financial rewards, such as bonuses, to employees who display behaviour that aligns with business objectives relating to the change, and thus, increases employee motivation, as they are now incentivised to undergo work tasks. Additionally, due to the possibility of some employees being retrenched, this would also incentivise them to be motivated due to the additional financial benefits, which may decrease their financial insecurity.*

## Section B – Case study

### Question 1

| Mark | 0  | 1  | 2 | Average |
|------|----|----|---|---------|
| %    | 44 | 47 | 9 | 0.7     |

This question was not well answered with many students unable to provide a clear and specific definition of what is meant by the rate of absenteeism.

A suitable definition would have referred to the rate of staff absenteeism as a measure of the number of staff who do not go to work when scheduled to do so, then a reference to the data on page 24 of the examination (e.g. that the rate of staff absenteeism at Rabwood Mutual peaked at 17 per cent in August of 2021 or that it could have increased as a result of staff being redeployed to other Victorian locations) for the additional mark.

The following is an example of a high-scoring response.

*Rate of staff absenteeism refers to the average number of days employees do not turn up for work when expected to be there, within a set period of time. Rate of staff absenteeism at Rabwood's has increased*

from 6% in January 2021 to 11% in October 2021, therefore presenting an increase in the number of days staff are not turning up for work.

## Question 2

| Mark | 0  | 1  | 2  | 3  | Average |
|------|----|----|----|----|---------|
| %    | 12 | 30 | 38 | 20 | 1.7     |

A careful reading of this question would have shown that it was about the link between the rate of staff absenteeism and the number of customer complaints.

Students needed to consider how rising rates of staff absenteeism could lead to increased customer complaints as there were not enough staff to deal with customer issues or queries. (See the response below.)

Alternatively, increasing customer complaints could lead to rising rates of staff absenteeism if employees felt pressured at Rabwood Mutual constantly dealing with disgruntled customers.

Some students did not note that the task word was 'explain' and instead described the trends in the data with no reference or link to the relationship between the two KPIs.

The following is an example of a high-scoring response.

*In January the rate of staff absenteeism was at 6%, Likewise the number of customer complaints was at 34. Both key performance indicators peaked in August at 17% for staff absenteeism and 81 customer complaints. This data shows that when staff absenteeism is high, so are the number of customer complaints. This suggests that customer service when understaffed is poor which explains the increased number of unsatisfied customers.*

## Question 3

| Mark | 0 | 1  | 2  | 3  | 4 | Average |
|------|---|----|----|----|---|---------|
| %    | 3 | 15 | 52 | 22 | 8 | 2.2     |

Responses that scored highly addressed all elements of the question. This involved:

- a description of one advantage of on-the-job training with a link to how this will improve the effectiveness of employees at Rabwood Mutual
- a description of one disadvantage of on-the-job training with a link to how this will not improve the effectiveness of employees at Rabwood Mutual.

Responses that did not score well often were unable to link their description of one advantage and one disadvantage of on-the-job training to the organisation and show its impact on business objectives.

The following is an example of a high-scoring response.

*On the job training refers to developing the skills, knowledge and abilities of employees through teachings and demonstration which occur within the workplace location. This form of training is beneficial for Rabwood Mutual (RM) as it allows for their employees to become familiar with the specific equipment, facilities and operations at the firms, such as the technologies specific to the particular firm location which is likely to offer between Bendigo and Geelong for example. This would increase effectiveness of employees for RM, as they will be more intelligent and aware of the particular business operations occurring at the specific store, which is likely to better achieve their desired business objectives since it will not be foreign to them. However, a disadvantage would be that this strategy involves other existing employees assisting and teaching new employees regarding the work at RM, which decreases the rate of*

*productivity and disrupts work flow as it requires such an interruption. This would decrease effectiveness, as it does not encourage RMs desired business objectives to be fulfilled regarding the increased value of inputs, from a given level of outputs for a period of time.*

## Question 4

| Mark | 0 | 1  | 2  | 3  | 4  | Average |
|------|---|----|----|----|----|---------|
| %    | 6 | 16 | 40 | 27 | 11 | 2.2     |

As the task word for this question was 'compare', answers required similarities and differences between resignation and dismissal.

Responses that scored highly tended to have a section that referred to 'similarities are ...' followed by 'differences are ...'. With differences, it is important that the same criteria are compared (e.g. one is voluntary while the other is involuntary), rather than just writing two explanations that do not contain similar or different elements.

As was stipulated in the question, answers needed to be related to Rabwood Mutual.

Responses that did not score well simply provided an explanation of resignation and then a separate explanation of dismissal.

The following is an example of a high-scoring response.

*Resignation relates to the voluntary termination of an employee as they do not wish to work at that business anymore, usually due to them seeking/taking a position elsewhere. Whereas dismissal is the involuntary termination of an employee, due to them failing to meet the required standards of a business, and/or due to them displaying unlawful or unacceptable behaviour. The key similarity being that both forms of termination require the employee to receive entitlements such as accrued or owed money for the work they have completed/conducted. In regards to Rabwood Mutual (RM) the "unexpected resignation" of three staff members would likely involve RM to conduct an exit interview as a transition issue, in order to determine and identify their "sudden" reasons for leaving, and develop solutions to prevent this from occurring again in order to decrease their level of staff turnover as it is a costly expense. This transition issue would not occur with the dismissal of an employee at RM as they do not require/need to identify their reasons for leaving (by the nature of this termination), instead RM may offer them outplacement service help to aid them find a new job.*

## Question 5

| Marks | 0  | 1  | 2  | 3  | 4  | 5  | 6 | Average |
|-------|----|----|----|----|----|----|---|---------|
| %     | 16 | 12 | 19 | 18 | 18 | 10 | 6 | 2.6     |

This question was asking students to choose a strategy from this strategy list:

- increased investment in technology
- cost cutting
- change in management skills
- redeployment of capital resources.

They then had to provide an explanation of how that strategy would be able to improve the KPI data provided at the beginning of the question. This had to be done twice, with two different strategies.

Most students were able to make at least one link between one of the stated management strategies and at least one of the graphs shown in the case study.

Responses that scored highly looked at the fact that Rabwood Mutual was a financial services business and then were able to explain how their chosen management strategies would be relevant to that type of service business (e.g. technology in the form of financial software to speed up provision of advice to clients, thus reducing number of customer complaints about long appointment times).

Responses that did not score well gave generic answers of the advantages of the management strategies, usually within manufacturing.

The following is an example of a high-scoring response.

*Change in management skills may include the use of delegating or communicating. Through changing the management skills this may also lead to a change in the management style. Barwood, through using delegating, that is the sharing/redeploying of responsibilities and tasks to other staff, other than managers, within the business may experience a decrease in the rate of staff absenteeism. This may be due to feeling more trusted, valued and appreciated by the business which may see the return of staff to work. If managers increase employee participation through communicating tasks and objectives openly and allowing feedback and employee suggestions this may also result in increased motivation. Using better communication skills may result in employees feeling as though they are more understood, they clearly know their role in the business and through having a positive relationship with work may see the return of employees, thus decreasing the rates of staff absenteeism as they enjoy their work environment again.*

*Increased investment in technology refers to the scientific application to business processes, often used to increase productivity, reduce waste. Therefore, since the rate of productivity growth, which refers to the increase of outputs created from a set level of inputs decreased from 6% in Jan 2021 to 2% in October 2021, Rabwood may implement technology such as automated financial services which do not require employees to operate the service, such as banking, budgeting. Therefore enabling employees to work towards other business activities at Rabwood such as serving more customers in a certain period of time, sorting through a greater amount of customers financial services whilst the automated technology is used for the more basic but time consuming business activities, therefore assisting in increasing rate of productivity growth by attending to the business tasks in a set period of time.*

## Question 6

| Marks | 0  | 1 | 2  | 3  | 4  | 5  | 6 | Average |
|-------|----|---|----|----|----|----|---|---------|
| %     | 20 | 6 | 14 | 16 | 24 | 12 | 8 | 2.8     |

This question required students to describe two of the Drives from Lawrence and Nohria's 4-Drive theory (Drive to Acquire, Drive to Learn, Drive to Bond or Drive to Defend) and then for each of them, describe how Rabwood Mutual could use this Drive to improve **one** of the three KPIs: number of customer complaints, rate of staff absenteeism or rate of productivity growth.

Responses that scored highly described two of the four principles and then stated how each principle could improve only **one** of the KPIs in the case study. They needed to refer to specific strategies that Rabwood Mutual could implement to achieve this. For example:

- Drive to Acquire: bonuses, increases in pay, some form of workplace recognition
- Drive to Bond: social events like morning teas, team-building activities, staff allocated into teams
- Drive to Learn: job rotation opportunities, challenging work tasks, further training
- Drive to Defend: job contracts, workplace policies, transparent communication.

Responses that did not score well focused on a description of all four drives rather than answering the question or did not provide enough detail given the six-mark allocation for this question.

The following is an example of a high-scoring response.

*Lawrence and Nohria's Four Drive theory is a motivational theory that suggests employees are motivated by four basic principles in any order: acquire, bond, learn, defend.*

*Rabwood Mutual could therefore implement the drive to acquire. Acquire refers employees being motivated by gaining promotional opportunities, increase in pay or any advancement within ones career. Therefore Rabwood could cater for the drive to acquire by providing employees with promotional opportunities such as being promoted to head of finance or senior consultant of budgeting. Rabwood could also motivate employees through acquire by promoting employees internally rather than recruiting externally. Therefore in employees are provided with career advancement and an increased responsibility, they are more likely to attend work due to feeling more valued within the finance firm assisting in decreasing rates of staff absenteeism which refers to the number of days employees don't attend work when expected to be there, which is currently at a high of 11% in October 2021. A second drive theory that Rabwood could implement is learn. This refers to employees improving their knowledge and skills within a business. Therefore Rabwood could fulfil the drive to learn by providing off the job training options, as well as on the job training, as currently on the job training has not been successful in reducing rates of staff absenteeism. Therefore off the job training may assist employees in enhancing their skills, learning new financial strategies from experts making them feel more capable and confident in completing their job at Rabwood, such as operating complex financial algorithms. Thus if employees feel capable, confident they're more likely to attend work, assisting in decreasing rate of staff absenteeism.*