



YEAR 12 *Trial Exam Paper*

2023

BUSINESS MANAGEMENT

Written examination

Sample responses

This book presents:

- high-level sample responses
- mark allocations
- tips.

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SECTION A

Question 1a.

Sample response

When a business wants to improve efficiency as an objective it looks at how to use fewer resources (such as employees, materials and time) to maximise the business' outputs. Flying High Ltd is implementing business change with the objective of improving efficiency. Implementation of the new online 'e-Pilot Deals' platform will reduce the need for Flying High branches in order to reduce both capital and labour resources. At the same time, it will allow for an increase in service outputs, including online travel deals booked.

Mark allocation: 2 marks

- 1 mark for defining the objective 'to improve efficiency'
- 1 mark for explaining how the objective can be achieved at Flying High



Tip

- You should be able to explain any of the seven business objectives that are listed in the VCE Study Design and show how the relevant objective can be met by the business in the case study.

Question 1b.

Sample response

Business change is the planned or unplanned, forced or unforced alteration to a business' behaviour, processes or practices due to external or internal environment pressures that results in an altered form of the business.

Flying High Ltd has adopted a reactive approach to change, referring to when a business responds to change after it has occurred. It is evident that Flying High Ltd has adopted a reactive approach by implementing their new online 'e-Pilot' travel deals business, as a reaction to the increased use of technology and changing consumer behaviour of making their own airline and travel reservations. This has had a negative impact on the demand for the business' services. Flying High has introduced their new online travel deals service after observing these changes and has therefore not initiated the change, but rather responded to external pressures.

Mark allocation: 3 marks

- 2 marks for defining 'business change'
- 1 mark for justifying the change as reactive by linking to the case study



Tip

- You should draw examples from the case study stimulus to accurately identify and justify the type of change that is occurring.

Question 1c.**Sample response**

Driving forces refer to features that initiate or support change within a business. One driving force that supported the change of implementing the 'e-Pilot Deals' is societal attitudes, which refer to the tendencies of society to evaluate things in a specific way. Changes in consumer behaviour driven by people becoming more familiar and confident with travel has led to rapid growth and competition within the tourism industry. This has encouraged Flying High to introduce change with their new online travel tour business, which will allow travel to become more accessible. It will limit the amount of time required to research all aspects of travel – including flights, accommodation, tours and insurance.

Restraining forces refer to features that resist a proposed change within a business. One example of a restraining force at Flying High is the employees (such as the travel agents) who work for the business in exchange for remuneration. Due to the 'e-Pilot Deals' enabling customers to book online travel tours, many of these employees will become redundant when Flying High closes some of its travel branches. This will reduce job security and evoke fear of redundancy if the employees' skills are no longer required, resulting in resistance to the proposed change.

Mark allocation: 4 marks

- 1 mark for correctly explaining a driving force
- 1 mark for explaining how and why the driving force factor supported the change at Flying High
- 1 mark for explaining a restraining force
- 1 mark for explaining how and why the restraining force factor impacted the change at Flying High

**Tip**

- *You need to learn the relevant driving and restraining forces as listed in the VCE Study Design and correctly apply the relevant ones to the case study stimulus.*

Question 1d.**Sample response**

An award is a legal document outlining the minimum pay and working conditions across an entire industry. The award implemented by Flying High Ltd ensures that its remaining employees will be paid the minimum wage for the travel industry as set by the Fair Work Commission. As Flying High is currently experiencing financial pressures, offering an award may be more cost effective as it will help keep labour costs low, and help restore the business to a more profitable position.

One weakness of implementing an award is that more than one award might apply to Flying High due to the varied job classifications in its workplace, and if it relies on awards to set conditions this could mean implementing numerous different awards in the same workplace, thereby making it more time consuming and complex.

Overall, as Flying High has already implemented its business change going forward and many employees will be made redundant, having an award for remaining employees will likely reduce staff morale. This is because there will be no opportunity to link any increases in productivity to pay, so employees will have fewer grounds for negotiation, meaning that they cannot have a say in their interests. This may increase staff absenteeism and staff turnover rates in the business in the future.

Mark allocation: 4 marks

- 1 mark for defining an award
- 1 mark for explaining a strength of using an award as applied to Flying High
- 1 mark for explaining a weakness of using an award as applied to Flying High
- 1 mark for an overall opinion as to whether an award would be suited to Flying High

**Tip**

- *In responding to this type of question, you should consider the features of an award and be able to showcase its suitability to the case study issues.*

Question 2a.**Sample response**

A similarity between Maslow's Theory of motivation and Lawrence and Nohria's Four Drive Theory, is that you cannot substitute one drive (to acquire, bond, learn or defend) or need (physiological, safety, social, self-esteem or self-actualisation) for another. For example, for Maslow, paying employees a large wage will satisfy the physiological needs but not the safety needs. Similarly, for Lawrence and Nohria, paying employees a large wage or salary will satisfy the drive to acquire, while it will ignore the drive to bond.

Maslow's levels of needs are similar to the four drives; for example, the social need is similar to the drive to bond; the self-esteem need is similar to the drive to learn and this will improve the connectedness and working relationships of employees, leading to increased productivity levels. Also, Maslow's safety need is similar to Lawrence and Nohria's drive to defend, which can be reflected in job security. These similarities highlight the fact that in both theories, extrinsic motivators play a key role in ensuring staff motivation is achieved.

On the other hand, one difference between the theories is that in Lawrence and Nohria's Four Drive theory, the four drives act independently of each other. This implies that employees will strive to achieve all four drives at the same time and management must have a range of strategies available to ensure all four drives (to acquire, bond, learn and defend) can be met. Whereas, in Maslow's Hierarchy of Needs, management can only satisfy one level of need at any given time before the next need is able to be satisfied. Once a level of need is met, it no longer motivates an employee and management needs to consider how the next level of need is going to be met. For example, in Maslow's theory the lower-order physiological needs must be satisfied first, before an employee is motivated to achieve their safety needs.

Another difference is that Maslow's Hierarchy of needs can be time-consuming to implement because managers need to firstly identify the level that each employee is aiming to achieve and then implement an appropriate strategy before proceeding to the next need. This can draw out needs being met over a longer period of time. Whereas, the Four Drive Theory can be faster to implement and this increases employee motivation because, at any given time, managers can implement a range of different strategies that help satisfy all four drives at once.

One motivation strategy that can be used and applied to both theories is career advancement, which occurs when a person takes on a job that carries greater responsibilities or increased opportunities to provide leadership. This involves promoting employees to positions that carry greater responsibility or authority and acts as a long-term motivator. This strategy can be used to meet Maslow's self-esteem need as it provides immediate reward and recognition of developed skills, high work ethic and effort. In the case of Lawrence and Nohria's drive to acquire, the greater responsibility satisfies the desire for status, power and influence.

Mark allocation: 6 marks

Mark globally using the following guide:

- 2 marks for similarities between the two theories – either one similarity provided in detail or two similarities outlined
- 2 marks for differences between the two theories – either one difference provided in detail or two differences outlined
- 1 mark for describing a motivational strategy
- 1 mark for describing how the motivational strategy in each theory can improve motivation and satisfy employees

Note I: Other motivational strategies could also be used: performance-based pay, investment in training, support, sanctions.

Note II: This sample response is a high-level response.



Tips

- *You must outline an equal weighting of points to show similarities and differences between the two theories.*
- *You should ensure you focus on the hierarchy of needs and the drives and how they can be used to improve motivation, rather than give a detailed description of the theories.*
- *Only one specific motivational strategy must be identified and linked to the two theories.*

Question 2b.

Sample response

Corporate social responsibility is the commitment above and beyond the law of a business to conduct their operations in an ethical manner, to take responsibility for the consequences of their actions and to remain accountable to their stakeholders.

Coles Supermarket is an example of a contemporary business that has implemented change to their operations system. As part of Coles' ambition to be Australia's most sustainable supermarket, in the second half of 2021 Coles announced a detailed sustainability strategy, grouped under the focus areas of 'Together to Zero'. The strategy sets out their ambitions across the key sustainability areas of climate change, waste and hunger, including commitments for Coles Group to be powered by 100% renewable electricity by the end of 2025 and to set a course to net zero greenhouse gas emissions by 2050.

A corporate social responsibility consideration that influenced their decisions in relation to their operations system was reducing the amount of waste generated from their processes and production of its service outputs. For example, Coles will attempt to reduce the amount of pollution in its processes by incorporating 100% renewable electricity in all of its stores and distribution centres. Management making such decisions will lead to a reduction in waste and carbon emissions by 2025 and therefore demonstrate their commitment to sustainability above and beyond the law.

In addition, Coles Supermarket in its 'Together to Zero' strategy has focused on reducing the amount of waste from the production of its service outputs. Coles has committed to waste reductions and recycling, by implementing a waste strategy to divert 85% of food waste from landfill by 2025. This is being achieved by developing a partnership with food charities such as SecondBite and Foodbank to donate edible, unsold food from their supermarkets and distribution centres to feed disadvantaged Australians.

Both of these strategies demonstrate a commitment to improving the environment and hence Coles will be able to improve its reputation when its customers, and the public in general, discover that the business is acting in a socially responsible manner. The result should be increased sales and profits.

Note: Students may provide ONE example of a contemporary business case study.

Mark allocation: 6 marks

Mark globally using the following guide:

- 2 marks for referring to the operations system (input, process, output) of a contemporary business case study
- Up to 2 marks for demonstrating a clear understanding and explanation of at least two corporate social responsibility considerations to either the inputs, process or outputs of a contemporary business example
- 2 marks for linking the CSR considerations to a contemporary business case study example and the benefits of doing so

**Tip**

- *Contemporary business examples are those businesses where the change was initiated within the last four years – in this case, 2021. Responses using older examples or hypothetical businesses may only gain a maximum of 2 marks.*

Question 3a.**Sample response**

Off-the-job training refers to the process of teaching knowledge and skills to employees in a location external to the business' workplace. Off-the-job training can provide employees at Bubblepop with a wider range of skills and qualifications than those offered within its workplace, for example undertaking specialised courses that will teach them how to brew tea with different fermentation and roasting levels, or hand-making tapioca balls. Employees who have improved abilities and skills are likely to be more motivated and will become more capable in their job roles, enhancing motivation and job performance. Another advantage of conducting off-the-job training is that the teaching of skills can be more focused without workplace distractions – for both trainer and trainee. This training option should lead to higher productivity and better job performance for Bubblepop.

One disadvantage is that off-the-job training results in lost working time for the duration of the training and this will reduce the effectiveness of employees in achieving production quotas. Another disadvantage is that there is no guarantee that the employees who have gained new skills/qualifications will not leave the business to gain a job elsewhere, resulting in loss of talent and no return on investment to the business from the training course.

Mark allocation: 4 marks

- Up to 2 marks for describing the advantages of using off-the-job training at Bubblepop
- Up to 2 marks for describing the disadvantages of using off-the-job training at Bubblepop

**Tip**

- *You must focus on the analysis of using off-the-job training and apply it to the case study scenario.*

Question 3b.**Sample response**

Self-evaluation involves employees carrying out a process of self-assessment both in terms of their performance related to their predetermined objectives, and their contribution to their business team or unit, based on a set of agreed criteria. At Bubblepop, management can gain an employee's perception of their own strengths and weaknesses and determine strategies on how they can improve their performance in the future. Employees might keep documentary evidence of their achievements, for example, their level of customer service from positive customer reviews, or their bubble tea-making skills measured by sales targets met. This provides a factual and measurable basis for their evaluation and creates an opportunity for two-way communication with managers. If any issues are raised, it allows employees to request training opportunities that can assist them to improve work performance and productivity.

Mark allocation: 4 marks

- 2 marks for a description of self-evaluation as a performance management strategy
- 2 marks for justifying how self-evaluation could improve the performance of employees at Bubblepop

Note: Students cannot refer to any other type of performance management strategy (such as management by objectives, appraisals or employee observation).

**Tip**

- *You need to focus on drawing from the material in the scenario when applying self-evaluation as a performance management strategy.*

Question 3c.**Sample response**

Porter's Generic Strategies seek to give businesses a competitive advantage through either the use of the lower cost or the differentiation strategy.

Bubblepop has adopted the differentiation approach, which allows them to gain a competitive advantage by developing a unique and desirable product in which they can charge a premium price. One strength of using differentiation is that offering customers unique bubble tea flavours, using less sugar and sourcing local suppliers, will enable the business to differentiate themselves from competitors, attracting more customers and hence increasing sales. In addition, Bubblepop may also charge premium prices as they will have exclusive flavours and recipes not being used by rival businesses.

However, one weakness of using the differentiation strategy is that other bubble tea competitors may copy and replicate some of Bubblepop's flavours and recipes in their own stores, forcing Bubblepop to continuously invest in research and development to maintain their competitive advantage and market share. Furthermore, this may also add to their operating costs in order to maintain their exclusive and unique flavours, which may further push up the price of their bubble tea and is likely to deter price-sensitive customers.

Overall, in my opinion, due to the high level of competition that currently exists in the industry, the differentiation strategy will assist Bubblepop to improve their competitive advantage and market share, as they will earn a good reputation for being innovative and developing their bubble teas to meet changing customer demands.

Alternative sample response

Porter's Generic Strategies seek to give businesses a competitive advantage through either the use of the lower cost or the differentiation strategy.

Bubblepop could use the lower cost strategy, which would allow them to gain a competitive edge or advantage by reducing production or delivery costs in their bubble tea operations and become a lower-cost bubble tea producer in the industry.

One strength of using the lower cost approach is that there will be a greater emphasis on efficiency in operations, for example by sourcing cheaper ingredients or reducing wage costs, so that Bubblepop can charge lower prices for their bubble tea compared to their competitors, which will increase market share. Another strength, is that by charging lower prices compared to rival businesses, they can establish themselves as a cost leader and thereby discourage new competitors from entering the market due to lower profit margins and potentially lower market share.

However, one weakness of the lower-cost strategy is that by charging lower prices than competitors, customers may perceive Bubblepop products to be of a lower quality, thereby reducing sales and profits. Also, there is likely to be less customer loyalty to Bubblepop, as customers who are price-sensitive are constantly seeking cheaper prices being offered from rival bubble tea businesses.

Overall, Bubblepop should perhaps avoid implementing the lower cost approach as they may lose market share in the long term.

Mark allocation: 4 marks

- 1 mark for describing the choice – either the lower cost (cheaper operational costs, lower prices) or the differentiation strategy (unique product, specific brand advertising)
- 1 mark for describing a strength of using the chosen strategy as applied to Bubblepop
- 1 mark for describing a weakness of using the chosen lower cost strategy as applied to Bubblepop
- 1 mark for an opinion of using either the chosen lower cost (cheaper operational costs, lower prices) or the differentiation strategy (unique product, specific brand advertising) to gain a competitive advantage as applied to Bubblepop

**Tip**

- *You need to ensure that your analysis of the chosen generic strategy applies to the business gaining a competitive advantage. Make sure that you don't just write about generic strengths and weaknesses.*

Question 3d.**Sample response**

At Bubblepop, Candice may need to consider global sourcing of inputs in her operations. This refers to the practice of seeking the most cost-efficient materials (and other inputs) from overseas countries. By looking at global sources, Candice may be able to source cheaper ingredients or more unique and higher quality tea and tapioca balls than the ones she can source from local Australian suppliers. This would help Candice achieve the business objective of increasing her market share as Bubblepop would be able to increase its competitiveness in the bubble tea industry, either by charging cheaper prices due to lower input costs, and/or from the higher quality bubble teas being produced from the globally sourced ingredients. This would increase customer satisfaction, improving sales relative to all bubble tea industry sales, and hence allow Candice to achieve her business objective of increasing market share.

Mark allocation: 3 marks

- 1 mark for describing one global consideration (for example, global sourcing of inputs)
- 2 marks for justifying how the global considerations will achieve one business objective (for example, to increase market share)

**Tip**

- *You need to carefully consider all the options relating to global considerations – some may be more difficult to apply or unable to be linked to the case study scenario.*

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SECTION B

Question 1

Sample response

One advantage of Delilah operating her business as a social enterprise is that it attracts more ethically conscious customers who believe that their purchase will assist Delilah in giving back to the community, particularly through her profit proceeds being distributed to the RSPCA, which benefits the community rather than individual owners/shareholders.

However, one disadvantage is that while more customers are attracted, Delilah is more vulnerable to financial strain because balancing both social and financial objectives can be a challenge. Delilah needs to maintain her donations to the RSPCA to uphold her title as a social enterprise but she must also consider her financial priorities and reinvest profits back into the business to further improve her market share.

Mark allocation: 2 marks

- 1 mark for describing an advantage of a social enterprise that is linked to Delilah's Doggie Doughnuts
- 1 mark for describing a disadvantage of a social enterprise that is linked to Delilah's Doggie Doughnuts



Tip

- *Questions asking you to 'outline' require you to make a distinct point as well as a link to the scenario.*

Question 2

Sample response

Efficiency in the context of Delilah's Doggie Doughnuts relates to how well a business uses resources to achieve objectives. The case study identifies social objectives as an objective so the introduction of either online services (such as a website with e-commerce capabilities or the introduction of robotics) should assist in that aim, as costs can be reduced in order to maximise profits that will be distributed to the community.

Robotics is the combination of science, engineering and technology that produces machines, called robots, that are programmed to perform a variety of tasks autonomously. Delilah can consider introducing robotics on automated production lines, where a programmable machine capable of doing several different tasks can automate some of the processes and help reduce the number of mistakes currently being performed by Delilah's stressed employees. This can include pick-and-place technology applications, such as placing cooked doggie doughnuts on to plastic trays and then having a machine wrap each treat and place it in the required packaging. This helps improve efficiency since this task can be done faster than her employees can perform it, allowing Delilah to increase her production output and meet customer demand while reducing her labour inputs.

However, Delilah will need to outlay a significant sum of money to purchase, install and program the robotics equipment. This will be a significant investment for Delilah and it may cause financial pressure in the short term. She will also need qualified staff who are able to undertake the programming and maintenance of the robots to ensure they are operating effectively, hence increasing both labour and capital inputs, reducing efficiency.

Alternative sample response

Online services refer to any information or service that a business may offer over the internet. At Delilah's Doggie Doughnuts this could take the form of establishing a website for the business with e-commerce capabilities. This not only promotes and markets the business to existing or potential clients but also provides them with the opportunity to place orders for the doggie treats directly from the business, when it suits. The online orders will trigger production of the Doggie Doughnuts which reduces the risk of overproduction of doughnuts, thus reducing the amount of ingredients wasted, and overall improving the efficiency of operations.

However, online services such as e-commerce are fully dependent on having a reliable internet connection, which requires the website to be on the right web platform to avoid site crashes. If the website lacks a good bandwidth connection, customers will experience issues while loading pages and placing orders. This may increase customer frustration and dissatisfaction.

In addition, online services, such as websites and e-commerce sites, are susceptible to hacking by cyber criminals, which compromises both the business' financial information and the customers' private information, reducing reliability and customer confidence. Delilah will need to spend additional funds on safety and security, for example encryption technology, to ensure customer and financial information is protected and there are no data breaches.

Mark allocation:4 marks

Mark globally using the following guide:

- 1 mark for an advantage of using robotics (or online services) to improve efficiency
- 1 mark for linking this to Delilah's Doggie Doughnuts
- 1 mark for a disadvantage of using robotics (or online services) to improve efficiency
- 1 mark for linking this to Delilah's Doggie Doughnuts

Question 3

Sample response

Effectiveness in the context of this business relates to how well the business is able to achieve its objectives. The case study identifies increasing market share as an objective and so the introduction of lean management strategies should assist in that aim.

Lean management is a systematic process for the elimination of waste and inefficiencies in the production of a good or service. Delilah's Doggie Doughnuts could make use of the pull strategy by focusing on producing doggie doughnuts only when there is actual demand for them, rather than producing in large quantities and trying to sell them later. This helps to reduce waste of inputs if they are not sold as outputs, thereby maximising effectiveness.

The one-piece flow strategy involves producing one type of doggie doughnut at a time, rather than producing a batch of different ones all at once. This eliminates waiting time or idle time, responding to customer demand more quickly, thereby increasing sales.

The takt strategy can establish a consistent workflow for Delilah by reducing the average time that passes between production starting on one unit of a product and the start of production of the next unit, in order to meet the changing level of demand for different dog treats produced.

The zero defects strategy allows Delilah to minimise the errors that are produced and ensure that any defects that do occur are rectified before they are passed on to the next stage. Implementing this strategy will lead to improved effectiveness as it ensures the highest quality doggie doughnuts being produced, thereby reducing errors and waste, improving the level of customer satisfaction and allowing Delilah to meet the rising customer demand.

Using this lean management strategy would improve effectiveness (the degree to which a business accomplishes the objectives it set out to achieve) because the strategy eliminates waste, thereby reducing costs. Reduced costs are likely to lead to an improvement in Delilah's Doggie Doughnuts business, as her products better meets the demands of her customers, increasing sales and thereby increasing her ability to achieve her market share objective.

Mark allocation: 5 marks

- 1 mark for explaining how the pull strategy achieves effectiveness at Delilah's Doggie Doughnuts
- 1 mark for explaining how the one-piece flow strategy achieves effectiveness at Delilah's Doggie Doughnuts
- 1 mark for explaining how the takt strategy achieves effectiveness at Delilah's Doggie Doughnuts
- 1 mark for explaining how the zero defects strategy achieves effectiveness at Delilah's Doggie Doughnuts
- 1 mark for clear expression and/or understanding of effectiveness



Tip

- *You should develop a comprehensive understanding of how the four principles reduce waste and help a business operations achieve lean management.*

Question 4

Sample response

The rate of productivity growth measures the business' ability to transform a given amount of inputs into outputs, in this case doggie doughnuts. One management strategy that could be implemented by Delilah is the investment in technology. As the level of productivity growth is continuing to decrease over recent years, worsening from 7% in 2019 to a negative reduction of 48% by 2022, Delilah should consider introducing robotics or an automated production line to her Dandenong factory because robotics or automation can speed up the production process, reduce human error and allow Delilah to increase the speed of delivery of her doggie doughnuts to her customers, particularly to Delilah's Doggie Doughnuts which require a substantial increase in output. Effective use of technology will help a business to make better use of time, improving efficiency and enabling higher output. Hence, this is a key driver behind productivity growth.

The level of staff turnover measures the number of employees who leave the business and have to be replaced, within a given period. As the proportion of staff resigning at Delilah's Doggie Doughnuts has increased from 5% in 2019 to 35% in 2022, Delilah could implement the management strategy of investment in training. Training is the process of improving an employee's skills and knowledge so they are able to perform their job to a higher level. If implemented by Delilah, it will emphasise immediate improvements in job performance by enhancing the employees' specific knowledge and skills, particularly those employees who are new to the business. This can help reduce mistakes, improve employee efficiency as job tasks are completed to the highest standard and also fulfil employee needs.

Note: The VCE Study Design provides a number of management strategies that can be used to respond to data from key performance indicators. Students can select from:

- staff training
- staff motivation
- change in management styles or skills
- increased investment in technology
- improving quality in production
- cost cutting
- initiating lean production techniques
- redeployment of resources (natural, labour and capital)
- innovation
- global sourcing of inputs
- overseas manufacture
- global outsourcing

Mark allocation: 6 marks

- 3 marks for each analysis of the management strategies to respond to any two of the key performance indicators (up to 6 marks)
 - 2 marks for explaining the first strategy to Delilah's Doggie Doughnuts business and justifying how it will improve one key performance indicator shown in the table
 - 2 marks for explaining the second strategy to Delilah's Doggie Doughnuts business and justifying how it will improve a second key performance indicator shown in the table

- Up to 2 marks for referencing two pieces of data from the table to demonstrate analysis

**Tips**

- *You must carefully interpret and analyse the table showing the change in the key performance indicators.*
- *You should select one management strategy to respond to one KPI and then repeat with a second management strategy for a second KPI. You should NOT outline two strategies for one KPI.*
- *As with all questions where strategies can be drawn from a varied list, you must select the most appropriate to the scenario. In this case a strategy such as a change in management style or skills was not appropriate as there was a constraint in the question.*

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Question 5

Sample response

Motivating employees is critical for the success of any business and the use of appropriate management styles and skills is vital to improve business performance. The type of management style that a manager chooses will determine the skills that they use, as well as the extent or the degree to which they use those skills.

Management style refers to the way a manager does things – the behaviour and attitude of the manager when making decisions, directing and motivating staff and when implementing plans to achieve business objectives. A more suitable management style to be used by Delilah in managing her employees is the persuasive management style. An advantage of using this style is the factor of ‘time’. As this style uses centralised decision-making it would be time efficient because Delilah is the sole decision-maker, receiving no input from staff and she must convince them that her decision is correct. It could help deal with the time delays within the business due to the high level of staff turnover, leaving Delilah with inexperienced employees. The fact that she has inexperienced employees means that adopting the persuasive management style – giving clear instructions and direction on how to complete their work tasks – will reduce confusion and stress levels, helping to reduce mistakes, thereby ensuring that profits are increased and donation of profits to the RSPCA are maximised, ensuring that Delilah meets her social objective. Furthermore, the factor of ‘nature of task’ means that decisions surrounding the operations of the business are simple and Delilah can effectively persuade her employees as to the best way to deal with the increased workload.

A disadvantage of Delilah using the persuasive style is the factor of ‘manager’s preference’. As this style uses one-way communication without employee input into the decision-making process, staff may also feel a lack of trust, and think that their opinions do not matter. This can have a negative impact on the corporate culture of a business and could demotivate staff and further worsen the level of staff turnover.

If Delilah were to implement the persuasive management style, she would need to implement the skills of communication and decision-making.

Management skills are the abilities or competencies that managers use to complete tasks effectively. These can be gained through training and experience. Communication refers to the creation and exchange of information between people that achieves the required response. This is essential if Delilah wants to reduce mistakes and be able to clearly communicate (one-way) clear strategies and a plan of action to employees, especially those inexperienced employees who need to know exactly what they have to do and be convinced to accept the decisions made. Using the persuasive management style, Delilah would convince her employees that her decision is the best option. Motivated employees are more likely to work well with others and collaborate effectively.

Decision-making is another skill to be relied on when implementing a persuasive management style. Delilah must be able to determine the most suitable option from a range of alternatives for her business, such as deciding how to train her employees or deciding what type of technology needs to be purchased to help increase output of her doggie doughnuts. If she cannot pick the best-suited option, this may result in employees continuing to make mistakes and her own inability to continue to meet her social objective.

Overall, managers like Delilah who can motivate their employees effectively by applying the most appropriate management style and skills can help to create a positive and productive work environment, leading to better performance and success in the achievement of business objectives.

Mark allocation: 10 marks

Mark range	Descriptor: typical performance in each range
9–10 marks Very high	• Very high-level and detailed explanation of an appropriate management style linked to the four factors that make the management style appropriate • A detailed discussion of the management style – advantages and disadvantages explained and linked to the factors that make a style appropriate • High-level definition and description of two management skills, correctly applied to the relevant management style • High-level application of the management skills to the case study
7–8 marks High	• High-level and detailed explanation of an appropriate management style linked to the four factors that make the management style appropriate • High-level discussion of the management style – advantages and disadvantages explained and linked to the factors that make a style appropriate • Appropriate description of two management skills, correctly applied to the relevant management style • Appropriate application of the management skills to the case study
5–6 marks Medium	• Limited explanation of an appropriate management style linked somewhat to the four factors that make the management style appropriate • Limited discussion of the management style – not linked to the four factors that make a style appropriate • Limited description of two management skills, correctly applied to the relevant management style • Limited application of management skills to the case study
3–4 marks Low	• Poor explanation of the role of two participants in the workplace • Poor explanation of the management style – not linked to the four factors that make a style appropriate • Limited description of two management skills • Limited application of management skills to the case study
1–2 Very low	• Little explanation of an appropriate management style • Some general discussion of advantages and/or disadvantages of the management style but not linked to the four factors that make a style appropriate • Very poor description of management skills • Very poor or no application of management skills to the case study
0	• No attempt at a response • Response does not relate to any elements of the question

**Tip**

- *The 10-mark question often involves multiple concepts from across the course. If you spend your time defining the key terms, you will not adequately address the question and may score poorly. You must focus on the task word used, address its requirements and make relevant links to the relationship between management styles and the skills used, and it must apply to this particular case study. Remember that the 10-mark question in the revised study design can appear in either Section A or Section B of the exam paper.*

Question 6

Sample response

Senge's Learning Organisation is a management approach that can promote a positive culture at Delilah's Doggie Doughnuts business by fostering a continuous learning environment where employees are encouraged to develop their skills and knowledge to implement change. The introduction of new state-of-the-art technology will enable the business to achieve objectives, such as increasing market share.

Systems thinking, which means understanding the interdependencies and relationships between different parts of the business, is encouraged so that employees are able to understand the need for the introduction of the new technology, to identify problems and work collaboratively to develop solutions to reduce mistakes and help implement the change effectively. Employees will experience high morale which can improve productivity and have a positive attitude toward the business.

Senge's Learning Organisation encourages employees to examine their mental models, or assumptions and beliefs, about how the world works. By challenging their assumptions about the impact of the new technology on their job security, employees can develop new ways of thinking and problem-solving that incorporates the use of the technology as part of their job tasks.

Overall, the Learning Organisation can promote a positive culture for change at Delilah's Doggie Doughnuts by creating an environment where employees feel valued, encouraged to learn, and empowered to contribute to the business success by accepting change. By fostering a culture of continuous learning, collaboration and personal growth, Delilah can create a positive work environment that enables the employees to understand the need for change to help position the business more competitively and enable it to meet changing customer demands for its products.

Mark allocation: 5 marks

- 2 marks for accurately describing and analysing two principles of the Learning Organisation (2 marks each – 4 marks)
- 1 mark for correct link of the two principles to promoting a positive culture at Delilah's Doggie Doughnuts



Tips

- *You can select any two of the five principles of Senge's Learning Organisation. A brief outline of each principle is required to demonstrate understanding.*
- *You must be able to demonstrate the relationship between Senge's Learning Organisation and a positive corporate culture.*

Question 7

Sample response

A low-risk strategy that could be used by Delilah to reduce resistance to change from employees is incentives. As the introduction of this technology may cause some concern over job security for employees, Delilah can be proactive and reward the staff with incentives, such as a bonus or sharing in the profits if there is measured improvement in sales and profits from the change. This should increase employees' excitement about the change to introducing new technology because it will help reduce their workload. Also, employees can be encouraged to learn how to program and maintain the technology, or develop alternative skills to be used in other areas of the business, thereby reducing uncertainty and resistance.

Mark allocation: 3 marks

- 1 mark for proposing a low-risk strategy such as incentives (or support, communication, empowerment as alternative low-risk strategies)
- 2 marks for justifying how this strategy will overcome employee resistance at Delilah's Doggie Doughnuts, referencing the introduction of new technology in the response



Tip

- *The VCE Study Design provides a number of low-risk strategies. You are better served by reading the scenario carefully and selecting the most appropriate strategy based on the material provided.*

END OF SOLUTIONS BOOK