

**BUSINESS MANAGEMENT**  
**Unit 3&4 Examination 1**

**MARKING GUIDE**

## SECTION A

### Instructions for Section A

Answer **all** questions in the spaces provided.

#### Question 1 (9 marks)

Janice has recently opened a shop that sells antique collectibles and has structured her business as a private limited company. Employees have been instructed to carefully pack items when customers make purchases.

a. Outline **one** feature of a private limited company.

2 marks

*1 mark – stating a feature of a private limited company*

*1 mark – further outline of that feature*

*Notes:*

- *Common features include: limited liability, ownership by shareholders, corporate taxation rates, how shares are purchased, the privacy of financial information*
- *Since the question asks for one feature, only the first feature mentioned should be considered for marking. Therefore, if a student mentions a feature, but then proceeds to outline a separate feature, then this outline cannot be considered for marking. Some features are inter-related, so discretion is needed to see if the student is outlining the first feature or bringing up an unrelated point.*
- *Answers do not have to be linked to the situation specifically, as the question does not ask for this.*

#### SAMPLE RESPONSE:

*One feature is incorporation. This means a private limited company is a distinct legal entity to those who own it (shareholders) and manage it (directors).*

b. Describe how the following management skills would be useful for Janice:

4 marks

Planning

Communication

*2 marks – description about how planning would be useful (1 mark for a general outline about its usefulness but without reference to this business)*

*2 marks – description about how communication would be useful (1 mark for a general outline about its usefulness but without reference to this business)*

Notes:

- *Students who simply define/describe what the skills mean, have misread the question, which asks to “describe how” the skills would be “useful”. 1 mark can be awarded if students simply define the two skills*
- *Answer needs to be linked to Janice’s business specifically, as indicated by the question*
- *Planning might be useful to*
  - *Determine a process by which products are to be carefully wrapped, and by what methods*
  - *Organizing the layout of her shop, since it is new*
  - *Determine how to advertise, and by what methods*
- *Communication might be useful to*
  - *Explain to employees the process of wrapping the products, and the importance of doing so*
  - *Allow employees to provide feedback about their concerns and ideas about being careful with the products*

SAMPLE RESPONSE:

*Planning can be used to determine the exact process to follow when wrapping up the antiques. Since these items are fragile, a careful process needs to be planned to consider the various options involved when wrapping them, such as the materials to use, and the methods to employ when using such materials. From this, the most appropriate materials and methods can be selected.*

*Communication is needed to inform employees regarding operating procedures. Specifically, employees need to know the process involved in wrapping up the antiques, by having it clearly explained to them, and ideally the reasoning behind it. From this, employees should be given the opportunity to provide feedback so Janice can find out any further suggestions about the process.*

c. Describe how **one** performance management strategy could be implemented at Janet's shop.

3 marks

*1 mark – naming a performance management strategy*

*1 mark – description about what the strategy involves*

*1 mark – answer is linked to Janice’s situation*

Notes:

- *Performance management strategies relate to determining levels of employee competency. Students should select from the following: management by objectives, appraisals, self-evaluation, employee observation.*
- *Students could still select another strategy not named in the study design, as the study design does not limit performance management to the above strategies, but just includes them*
- *It is not essential that the strategy be named, so long as the response is clearly about a specific strategy*
- *If more than one strategy is included in the answer, only the first one mentioned should be*

*considered for marking*

- *The implementation of the strategy needs to specifically relate to Janet’s shop, as per the question.*

**SAMPLE RESPONSE:**

*One strategy is management by objectives. Janet can help employees develop personal goals that align with overall business objectives. From this, employees will have something to focus on, and feedback can be given regarding how well they are working towards their goal. For instance, an employee might have a goal to wrap each antique item in less than one minute, which could connect to an overall business objective of increasing customer satisfaction because it could speed up customer service.*

**Question 2 (6 marks)**

Using a contemporary business case study, analyse how Lawrence and Nohria’s Four Drive Theory of motivation could have been used to motivate employees.

*Mark globally*

<b>Mark Allocation</b>	<b>Descriptor: typical performance in each range</b>
<i>5-6 marks</i>	<ul style="list-style-type: none"> <li>• <i>Response addresses the elements of the question, and clearly analyses in detail how the Four Drive Theory could be used to help motivate employees</i></li> </ul>
<i>3-4 marks</i>	<ul style="list-style-type: none"> <li>• <i>Response addresses the elements of the question, but is somewhat unclear/superficial about how the Four Drive Theory and the case study connects</i></li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• <i>Response provides a detailed explanation of a contemporary case study but without reference to the Four Drive Theory</i></li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• <i>Response provides a detailed explanation of the Four Drive Theory and how it can be used, but does not connect it to a contemporary case study (this includes if the case study is outside of the four-year range)</i></li> </ul>
<i>1 - 2 marks</i>	<ul style="list-style-type: none"> <li>• <i>Response provides a brief outline about the Four Drive Theory, but makes no reference to a case study</i></li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• <i>Response provides a brief outline of a contemporary case study, but does not connect to the Four Drive Theory</i></li> </ul>

<b>0</b>	<i>Response does not relate to any elements of the question or no attempt to answer the question</i>
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**Notes:**

- *There is no exact number of “drives” that need to be addressed. This will depend on how the drive/s are addressed in the response.*
- *The analysis needs to be connected to employee motivation, as opposed to other ways the Four Drive theory might benefit the business (e.g.: with their objectives).*

**SAMPLE RESPONSE:**

*One contemporary business is Bunnings, which sells a variety of hardware items. During a lockdown in 2020, employees had to adjust operating procedures to cater for click and collect orders, due to most customers not being allowed to enter the store itself. Owing to the quick transition the business had to make, uncertainty could have resulted amongst the employees. Through carefully guiding employees about how click and collect orders would be streamlined, the drive to learn would be met through having greater clarity about what is involved. Moreover, some employees might have enjoyed engaging with the new process to experience a new way of dealing with customers. As a result of employees all grappling with this, the drive to bond would have been met, through Bunnings holding meetings and training about how everyone can work together to transition to click and collect methods. The process itself involves teamwork as well, with radio communication between different employees required to bring products to customers.*

**Question 3 (10 marks)**

"Without optimal resource use, a business will struggle to achieve long term success".

Evaluate two strategies in relation to materials that can improve efficiency and effectiveness.

**Mark globally**

<b>Marks</b>	<b>Descriptor: typical performance in each range</b>
<b>9-10 Very High</b>	<ul style="list-style-type: none"> <li>• <i>Response answers all elements of the question, with exceptional conceptual clarity, especially regarding efficiency and effectiveness</i></li> </ul>
<b>7-8 High</b>	<ul style="list-style-type: none"> <li>• <i>Response answers most elements of the question, but lacks some conceptual clarity, especially regarding efficiency and effectiveness</i></li> <li>OR</li> <li>• <i>One strategy is evaluated very well, and the other strategy is evaluated poorly</i></li> </ul>
<b>5-6 Medium</b>	<ul style="list-style-type: none"> <li>• <i>Response connects material strategies to some parts of the question, but not all.</i></li> <li>• <i>For example, strategies might be evaluated, but not in connection to efficiency and effectiveness.</i></li> <li>• <i>For example, evaluation might not address ‘both sides’</i></li> <li>OR</li> <li>• <i>Response provides an excellent evaluation in relation to efficiency and effectiveness, but only for one materials strategy</i></li> </ul>

	<p><b>OR</b></p> <ul style="list-style-type: none"> <li>• <i>Response provides an excellent evaluation in relation to efficiency and effectiveness for two non-material operating strategies</i></li> </ul>
<p><b>3-4</b> <b>Low</b></p>	<p><i>Response describes some material strategies, but does not connect to the task word or the concepts of efficiency or effectiveness</i></p>
<p><b>1-2</b> <b>Very Low</b></p>	<ul style="list-style-type: none"> <li>• <i>Response largely is unrelated to the question. It may only refer to one or two key points in a very brief way.</i></li> </ul>
<p><b>0</b></p>	<ul style="list-style-type: none"> <li>• <i>Response does not relate to any elements of the question or there is no answer provided</i></li> </ul>

**Notes:**

- *The question asks about material strategies, which include (but are not limited to) the following: forecasting, master production schedule, materials requirement planning, Just in Time. Other types of operating strategies (such as quality strategies) are not being asked about in this question*
- *Since the task word is ‘evaluate’, and ‘overall’ statement needs to be provided*
- *Students often lack clarity when linking to efficiency (how well a business uses its resources) and effectiveness (the extent to which a business achieves its objectives). A common error involves responses which will attempt to link to these concepts interchangeably, when in fact the concepts are distinct.*
- *The two strategies do not have to be equally evaluated for full marks. It is possible that one might be evaluated exceptionally well, and the other somewhat well, and full marks to be given.*

**SAMPLE RESPONSE:**

*One material strategy is forecasting. Through making informed predictions, based on historical and current data about future resource needs, a business is able to increase its efficiency. This is because wastage can be avoided through ordering a predicted amount, instead of carelessly over-ordering. For example, a producer of chocolate bars will try to anticipate orders that will come through from supermarket chains, to not waste resources and produce too many, which would then go to waste, thereby preventing resources (like money, and ingredients) from being wasted. Additionally, through such predictions, greater relationships can be formed with customers due to their items being able to be received by them in time (due to predicting customer demand in advance), increasing customer satisfaction and the achievement of business objectives such as net profit. However, forecasting can be hard to perfect, due to unforeseen circumstances occurring that can be make predictions inaccurate. For example, if an airline tried to be efficient by predicting how many aircraft might be required at a given time, they might have got too many aircrafts ready due to unforeseen travel restrictions owing to covid-19. In this case, resources (aircraft) are ready but not used (thereby being inefficient), all because forecasting can be challenging to perfect. In turn, effectiveness suffers due to increased expenditure (in getting too many aircrafts ready), more than what was necessary, which in turn will decrease net profit. Another material strategy is Just in Time. Through only ordering the exact number of inputs needed for exactly the time they are needed, efficient use of business space results due to storage not being needed. Therefore, a*

*business could be more efficient with its finances and not unnecessarily purchase a large premises, due to no storage requirements. Moreover, existing space in the business' premise can be put to more efficient use compared to being used as storage. Just in Time helps businesses be effective because inputs are scheduled for the right time, meaning there should not be customer delays. Increased customer satisfaction can increase revenue and therefore profit. However, Just in Time can result in time inefficiencies if inputs are incorrectly used or damaged, meaning time is needed to wait for more to arrive (since there are no extras on hand). As a result, business effectiveness can suffer due to the production slowdowns that will then occur, which can result in customers waiting longer to receive their products. This can cause less repeat business from customers, decreasing revenue and therefore profit. Overall, material strategies like forecasting and Just in Time can significantly help increase business efficiency and effectiveness, so long as such strategies are carefully used and implemented.*

**Question 4** (18 marks)

Dolores manages a social enterprise in which pastry items are sold from home, and the profits are reinvested to provide textbook vouchers for students in need. She is planning to apply for a permit to sell the pastries at a local market on weekends as well.

**a.** Outline **one** driving force and **one** restraining force for Dolores' permit application. 4 marks

*2 marks – outline of a driving force (1 mark if outlined in general, but not in reference to Dolores' permit)*

*2 marks – outline of a restraining force (1 mark if outlined in general, but not in reference to Dolores' permit)*

**Notes:**

- *Dolores' application plan needs to be linked to, as indicated in the question*
- *If more than one driving (or restraining) force is mentioned, then the first one mentioned can only be considered for marking purposes*
- *Possible driving forces include*
  - *Pursuit of profit\*: as it will be easier to obtain revenue at a market due to publicity*  
*\*as social enterprises still aim to make a profit, even though it is not their primary concern*
  - *Dolores as the manager: as she is the one who is interested in applying for the permit, and will have an interest in the whole process occurring without complications*
- *Possible restraining forces include*
  - *Financial considerations: as permits can involve fees, which limits her profits in the short term to reinvest*
  - *Time: as permits can be time consuming to apply for, and therefore might detract from the operations of the social enterprise*

**SAMPLE RESPONSE:**

*One driving force would be Dolores as the manager, because she is the one who is interested in obtaining the permit to sell the pastries at a local market. Therefore, she both has the authority to organise on behalf of the social enterprise, and wants to organise it, so this will help it get organised*

*in the end. One restraining force could be time, as it can be time consuming to organise permits. This could act as a force that dissuades her from getting the permit, and instead to focus on some other method of selling more pastries that does not involve a permit.*

**b.** Apply Lewin's Three Step Change Model to Dolores' permit application. 6 marks

*2 marks – application of the ‘unfreeze’ stage (1 mark if there is just a general explanation without reference to this situation, OR the application is superficial and unclear)*

*2 marks – application of the ‘change’ stage (1 mark if there is just a general explanation without reference to this situation, OR the application is superficial and unclear)*

*2 marks – application of the ‘refreeze’ stage (1 mark if there is just a general explanation without reference to this situation, OR the application is superficial and unclear)*

**SAMPLE RESPONSE:**

*The first step of unfreeze involves getting the business ready for change by highlighting the need for change, and challenging current assumptions regarding operating practices. The need for change can be emphasised by referring to many students needing assistance, and therefore requiring change to obtain greater profits to be reinvested. The second step of change involves implementation of the change and consulting with stakeholders throughout this process to ensure it occurs smoothly. To enact the change, Dolores will get the permit organised by filling in relevant paperwork and paying relevant fees. In this process, she can involve her associates to assist with the process. The third step of refreeze involves embedding the change into the business’ culture and ways of operating. This could be done by displaying the permit in an official way, for instance, on her social media page, to emphasise how the business now is selling pastries at the market, instead of just from home.*

**c.** Propose and justify **one** quality strategy that could help Dolores with preparing the pastries. 3 marks

*1 mark – proposing (naming) a quality strategy*

*2 marks – justifying how it could help with pastry preparation (1 mark if too brief)*

**Notes:**

- *Quality strategies that could be used (but not limited to): quality control, quality assurance, total quality management*
- *Since the question asks for a strategy to be ‘proposed’, it does need to be clearly named*
- *Justification needs to relate to pastry preparation. Students are not expected to have detailed technical knowledge about cooking in order to ‘justify’.*
- *If more than one quality strategy is mentioned, the first one only can be considered for marking*

**SAMPLE RESPONSE:**

*One strategy could be quality control. This could help her by carefully inspecting the different stages of the preparation process when the pastries are made. Through doing this, errors can be rectified that might have a negative impact on the completed pastries. Resources can be saved by not continuing with preparing a pastry that will need to be discarded later.*



- d. Discuss how profits could be increased if Porter's lower cost strategy is implemented by this social enterprise. 5 marks

*2 marks – how the lower cost strategy can benefit (1 mark if a general explanation is given, not linked to this situation)*

*2 marks – how the lower cost strategy might not benefit (1 mark if a general explanation is given, not linked to this situation)*

*1 mark – clear link to the concept of profit in discussion*

*Notes:*

- If one side of the discussion is addressed in significant detail, it can be awarded more marks; in which case, fewer marks are needed for the other side of the discussion*
- Discussion does need to be linked to the situation, as indicated by the question*

**SAMPLE RESPONSE:**

*If the lower cost strategy is implemented, then profit can increase as a direct result of expenses being decreased. Dolores can find ways to decrease expenses, such as finding cheaper ingredients for the pastries, and using free websites instead of paid websites to promotion. As a result of this, there will more profit left over for Dolores to then reinvest. However, the lower cost strategy could also decrease profit if not implemented carefully. For instance, if Dolores buys very cheap ingredients, then the quality of the pastries might decrease. Customers therefore might not be satisfied and will therefore stop purchasing from her, and will recommend others to not purchase from her. This will decrease revenue significantly, which in the end means her profits might decrease. This is because revenue might decrease more significantly than expenses.*

**Question 5 (7 marks)**

- a. Define 'market share'. 2 marks

*1 mark – reference to proportion/amount/percentage of business sales*

*1 mark – reference to total sales in the industry as a whole*

**SAMPLE RESPONSE:**

*Market share is a business' proportion of sales compared with total sales in a given industry.*

- b. Analyse how a commitment to corporate social responsibility considerations can help with increasing market share. 5 marks

*Mark globally*

Mark Allocation	Descriptor: typical performance in each range
<i>5 marks</i>	<ul style="list-style-type: none"> <li><i>Excellent analysis about how social responsibility can help with increasing market share, with significant conceptual clarity</i></li> </ul>
<i>3-4 marks</i>	<ul style="list-style-type: none"> <li><i>Reasonable analysis about how social responsibility can help with increasing market share, but is somewhat superficial or unclear when connecting the concepts</i></li> </ul>
<i>1 - 2 marks</i>	<ul style="list-style-type: none"> <li><i>Outline/description of social responsibility, but without any reference analysing it in connection to market share</i></li> </ul>
<i>0</i>	<ul style="list-style-type: none"> <li><i>Response does not relate to any elements of the question or no attempt to answer the question</i></li> </ul>

*Notes*

- Connection to the idea of 'increasing sales' or 'profit' is not in itself a sufficient link to increasing 'market share'. The concepts are inter-related, but distinct.*

**SAMPLE RESPONSE:**

*Focusing on corporate social responsibility [CSR] considerations will involve going above legal requirements in treating stakeholders ethically. This can result in a business increasing their reputation, when it is evident that it is showcasing CSR. For instance, while by law customers do not have a right to a refund if they 'just their mind' after a purchase, a business can decide to allow that for their customers. This will create a sense of ease amongst potential customers to purchase from that business compared to other businesses that are not as generous with their refund policy. Therefore, this business will have greater sales in comparison to other businesses in the industry, increasing market share. Another example could be paying employees bonuses, which would be greatly appreciated and can result in better quality work. This can translate into better product quality, which then will also convince people to shop at this business compared to other businesses in the same industry where product quality might not be as good.*

**End of Section A**

**SECTION B – CASE STUDY****Instructions for Section B**

Use the stimulus material provided to answer the questions in this section. Answers must apply to the stimulus material. Answer **all** questions in the spaces provided.

**Case Study**

*Dynamic Prints Ltd* is a manufacturer of photocopiers and printers. It has two factory outlets (one in Melbourne, and one in Sydney), and has the mission statement of being the “foremost provider of durable easy-to-use office equipment.”

The business introduced a new line of photocopiers that has more high-tech features in 2020, ideal for office environments. In 2022, it also introduced a range of smaller photocopiers that are ideal for transporting around for businesses offering flexible working arrangements with employees.

In some staff surveys, employees have noted that it is a rather fast-paced working environment which can be rather repetitive, and that there should be more opportunities for experienced employees to give insights throughout the business more broadly to less experienced employees.

As a result of such surveys, management decided to undergo a more comprehensive review of the business’ performance before any consideration is given to further products being developed in the future.

The following information has been collated regarding the performance of this business.

<b>Sydney factory</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Number of workplace accidents (per 100 workers)</b>	2	4	7	4	6
<b>Rate of staff absenteeism</b>	2%	3%	10%	7%	13%
<b>Rate of productivity growth</b>	1%	1.5%	-0.5%	1%	-2%

<b>Melbourne factory</b>					
	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Number of workplace accidents (per 100 workers)</b>	1	1	2	1	3
<b>Rate of staff absenteeism</b>	2%	1%	3%	1%	2%

**Rate of productivity growth**

1%

2%

1%

3%

2%

**Question 1** (2 marks)

Outline **one** reason why a public listed company is preferable to a private listed company.

*1 mark – stating a reason*

*1 mark – further outline of this reason*

**Notes:**

- *A reason should not be accepted if it is a benefit shared by both public listed companies and private listed companies*
- *Possible reasons include*
  - *The ability to raise capital through selling shares publicly*
  - *Reputational benefits if the company's financial records indicate good performance*
- *If more than one reason is mentioned, only the first one can be considered for marking.*

**SAMPLE RESPONSE:**

*One reason is that it can raise funds through selling shares publicly. Since shares can be publicly sold, many people can invest in it, leading to a lot of capital being raised, which can then be used to help the business in its operations of developing photocopiers and printers.*

**Question 2** (7 marks)

- a.** Interpret the Sydney factory's rate of staff absenteeism to describe why the trend is as presented. 3 marks

*1 mark – outline about what the trend involves*

*2 marks – description as to why (1 mark if reasoning lacks detail for 2 marks)*

**Notes**

- *Possible reasons include:*
  - *stress-related concerns about new photocopiers introduced in 2020 (to explain the spike in that year)*
  - *Repetitive work causing physical exhaustion*
  - *Repetitive work causing boredom*

**SAMPLE RESPONSE:**

*The rate of staff absenteeism has an overall upward trend, meaning a greater percentage of staff are taking days of when scheduled to be in work. The large spike in 2020 can be attributed to employees being stressed about the introduction of new photocopiers, as these might be complicated to*

*manufacture. Additionally, the overall trend upwards can be explained by employees lacking satisfaction with their work, for example, due to it being too repetitive.*

- b.** Outline how the other two key performance indicators might have been impacted as a result of this trend in the rate of staff absenteeism. 4 marks

Number of workplace accidents

Rate of productivity growth

*2 marks – outline about how number of workplace accidents could be impacted as a result (1 mark for brief outline that is not sufficiently detailed)*

*2 marks – outline about how rate of productivity growth could be impacted as a result (1 mark for brief outline that is not sufficiently detailed)*

**Notes:**

- *Responses need to be focused on the possible causal relationship between the rate of staff absenteeism and the two key performance indicators in this question. 1 mark can be awarded overall if the response is about how these two key performance indicators might be impacted for other reasons, but without being connected to the rate of staff absenteeism*
- *Possible considerations for number of workplace accidents:*
  - *More absent employees cause lack of staff and dangerous practices due to remaining employees trying to do too much*
  - *More absent employees might mean less experienced employees remain in the workplace to properly supervise*
- *Possible considerations for rate of productivity growth:*
  - *More absent employees causes less work to be done in the workplace*
  - *More absent employees with experience causes less guidance for remaining employees, and therefore less work gets done*

**SAMPLE RESPONSE:**

*The number of workplace accidents might have increased due to the workload increasing for staff who are not absent. This is because there is less staff to assist with the manufacturing process, which could cause unsafe methods of work for remaining employees to ensure deadlines are met. Accidents can result from this.*

*The rate of productivity growth might have decreased due to less employees being in the workplace because of being absent. As such, it might have been challenging for the remaining employees to produce the same level of outputs (printers, photocopiers) due to the staffing shortfall.*

**Question 3** (6 marks)

Discuss how a redeployment of labour resources could help *Dynamic Prints* increase its net profit in the future.

*1 mark- how redeployment of labour resources can help businesses*

*1 mark – how redeployment of labour resources can help achieve greater net profit*

*1 mark – connection to Dynamic Prints*

*1 mark- how redeployment of labour resources might not help businesses*

*1 mark – how redeployment of labour resources might not help achieve greater net profit*

*1 mark – connection to Dynamic Prints*

**Notes**

- *Even though net profit is not one of the key performance indicators that data was collected for, students should ideally link potential improvement in such key performance indicators (because of redeployment) to net profit.*
- *If one side of the discussion is answered in significant detail, it can be given 4 marks; in which case, 2 marks are sufficient for the other side of the discussion*
- *The response needs to be focused on the redeployment of labour resources, not other resources. If other resources are focused on, then a maximum of 2 marks can be awarded overall.*
- *1 mark can be given if a definition of “redemption of labour resources” is given only*
- *Possible considerations about how it can help with net profit:*
  - *Ability to streamline more experienced employees to the Sydney factory, leading to better quality products (increasing revenue), or more efficiency in their production (saving expenses)*
  - *Moving employees around to different areas of the business to allow for less repetitive work, leading to greater staff satisfaction, which can result in better quality products (increasing revenue), and more productivity (decreasing wastage with wage expenses)*
- *Possible considerations about how it might not help with net profit:*
  - *Employees taking time to get familiar with a new factory, which can decrease efficiency, and therefore require more employees to be hired, increasing wage expenses*
  - *Employees not wanting to relocate due to distances. If forced to, poor quality work might result, leading to faulty photocopiers (decreasing revenue)*

**SAMPLE RESPONSE:**

*Redeployment of labour resources can help spread out experienced employees to where they are most needed in the business. For instance, the Sydney factory might lack experienced employees in comparison to the Melbourne factory, due to the former have poorer performance. As a result, greater guidance and insights can be given throughout the business to generate business-wide improvement through sending some experienced employees from Melbourne to Sydney. Better quality photocopiers and printers might result (increasing revenue due to customer satisfaction), and there could be a greater efficiency with how resources are used (decreasing expenses), increasing the rate of productivity growth. Therefore net profit can increase. However, this strategy might not work due to employees not wanting to be redeployed. For instance, moving from Melbourne to Sydney would require relocation, thereby altering the lives of employees significantly. If forced to relocate, their work ethic might decline, which means their experience will not be utilised effectively to improve products or increase efficiency. Consequently, net profit might not increase.*

**Question 4** (4 marks)

Describe how career advancement can help improve the short term and long term motivation of employees at *Dynamic Prints*.

*1 mark – how career advancement can improve short term motivation*

*1 mark – application to Dynamic Prints*

*1 mark – how career advancement can improve long term motivation*

*1 mark – application to Dynamic Prints*

**Notes**

- *Possible reasons for short term motivation*
  - *Delight taken in getting a promotion, which lasts a little while after it is obtained*
  - *Putting extra effort in before a promotional position is filled*
- *Possible reasons for long term motivation*
  - *Once promotion is obtained, greater satisfaction occurs with the role on a long term basis, due to more meaningful work involved*
  - *Regular opportunities for promotions can result in a continuous attempt to improve*

**SAMPLE RESPONSE:**

*Career advancement can increase short term motivation due to the delight experienced when obtaining a promotion, along with the excitement and gratitude that comes with it. Such excitement will last a short period of time but will significantly motivate such employees to work well during that time, for instance, to be promoted to a supervisor position in monitoring how photocopiers are made. It can also result in long term motivation, as it can generate greater satisfaction with work over a longer period, especially if the career advancement involves a position where work is not that repetitive. Additionally, when regular opportunities for career advancement are offered, then employees can be motivated long term to work well, knowing that opportunities are always present.*

**Question 5** (6 marks)

Describe how increasing staff training could help improve the following key performance indicators:

number of workplace accidents

rate of productivity growth

*3 marks – how staff training can help reduce the number of workplace accidents (2 marks if description is not linked to the stimulus, 1 mark if a brief outline is provided only)*

*3 marks – how staff training can increase the rate of productivity growth (2 marks if description is not linked to the stimulus, 1 mark if a brief outline is provided only)*

**Notes**

- *Possible reasons for number of workplace accidents:*
  - *Clarity about safety procedures due to being shown*
  - *Greater confidence in operating machinery decreases the chance for mistakes*
  - *Opportunity to practice machinery with someone experienced, to be shown how to avoid common mistakes*
- *Possible reasons for the rate of productivity growth*
  - *Clarity about how to operate leads to more output from employees*
  - *Being shown efficient methods of using equipment will result in ‘smarter work’*
  - *Staff who are trained, can in turn assist others, increasing overall productivity across the business*

**SAMPLE RESPONSE:**

*Staff training can reduce the number of workplace accidents through making employees aware about how to work safely when producing the photocopiers and printers. This can be done through carefully explaining the steps involved and showing them how to use equipment correctly. As a result, accidents are less likely to happen because employees are not guessing how to use the machinery out of a desire to quickly get work done but will instead follow proper safety guidelines.*

*Staff training can increase the rate of productivity growth through giving employees greater clarity about how to produce the photocopiers and printers. As a result, greater levels of output will occur due to employees being more familiar with what to do. Additionally, training can involve employees being shown exactly how to be productive with their time and the machinery entrusted to them, especially if the trainer has a lot of experience.*



