

Assessment Schedule – 2012

Business Studies: Demonstrate understanding of how internal factors interact within a business that operates in a global context (91379)

Evidence Statement

Q	Evidence	Achievement	Achievement with Merit	Achievement with Excellence
ONE: Change management and leadership				
(a)	Businesses are affected by many internal and external factors that cause change. Firms must be able to respond to these changes if they are to continue operating.	Answers THREE of: <ul style="list-style-type: none"> Why the ability to respond to change is important is explained. 	Any TWO of: <ul style="list-style-type: none"> How demonstrating rangatiratanga would allow the change is fully explained. 	Answers ALL of: <ul style="list-style-type: none"> TWO strategies to manage change are explained.
(b)	<ul style="list-style-type: none"> Relationships will have to be built and maintained with workers on the production line, to allow them to feel supported through the changes that will occur (Explain). This will allow them to feel more secure during the changes, and therefore improve morale (Fully explain). Problem-solving is an important element of rangatiratanga, as well as in the change management in the design office, because unexpected events will have to be dealt with (Explain). This will allow a more straightforward change process and improved productivity (Fully explain). 	<ul style="list-style-type: none"> How demonstrating rangatiratanga would allow the changes is explained. A strategy to manage change is explained. A positive impact of this strategy is explained. A negative impact of this strategy is explained. 	<ul style="list-style-type: none"> A positive impact of a change management strategy is fully explained. A negative impact of a change management strategy is fully explained. <p>(Answers will typically include relevant examples, business knowledge, or Māori business concepts.)</p>	<p>AND</p> <ul style="list-style-type: none"> The impacts of each strategy are fully explained. <p>AND</p> <ul style="list-style-type: none"> A conclusion that justifies the better strategy is given. <p>AND</p> <ul style="list-style-type: none"> The answer demonstrates coherent links between concepts. <p>(Answers will typically integrate relevant examples, business knowledge, or Māori business concepts into explanations.)</p>
(c)	<p>Two change strategies:</p> <p><i>Top down change management - change will occur when the managers exercise authority and impose sanctions, because they are the leaders and know what is required.</i></p> <p>A positive outcome – with the top down / dictated approach, change will occur much faster, because there will be less need to discuss issues with workers (Explain). This will allow the business to return to full production levels more quickly (Fully explain).</p> <p>A negative outcome is that the strategy may miss ideas from workers, which may make the change less successful (Explain). This may reduce performance below what is potentially available (Fully explain).</p> <p>OR</p> <p>A top down / dictated approach by managers would be contrary to aspects of rangatiratanga, eg development, relationship-building, conflict resolution, peace-making, etc.</p> <p><i>Involve the designers in planning and organising change, because they</i></p>	<p>(Answers will typically state relevant examples, business knowledge, or Māori business concepts.)</p>		

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	<p><i>should be regarded as intelligent people.</i></p> <p>A positive outcome of an inclusive approach is that the designers will have input into the changes, and so a wider range of ideas is shared (Explain). This will result in greater buy-in by staff, and will maximise the potential benefits of change (Fully explain).</p> <p><u>A negative outcome</u> is that people against the changes will get a greater opportunity to be negative about change (Explain), and this negativity might spread, decreasing motivation across the workforce (Fully explain).</p> <p>An inclusive approach should be chosen. This is because although it may take longer, the workers will feel valued because they are involved. This may increase motivation and therefore productivity. This also follows the principles of manaakitanga (Justify).</p>			

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TWO: Innovation				
(a)	Innovation in production processes occurs when firms take new steps in the way they create their products. This may allow them to be more efficient, and this will reduce costs / produce a better quality product. This may allow the firm to sell at a lower price.	Answers THREE of: <ul style="list-style-type: none"> • How innovative production processes allow greater competitiveness is explained. • Negative impact(s) of unsuccessful process innovation is explained. • A strategy to encourage worker innovation is explained. • A positive impact of this strategy is explained. • A negative impact of this strategy is explained. 	Any TWO of: <ul style="list-style-type: none"> • Negative impacts of process innovation are fully explained. • A positive impact of a strategy to encourage worker innovation is fully explained. • A negative impact of a strategy to encourage worker innovation is fully explained. (Answers will typically include relevant examples, business knowledge, or Māori business concepts.)	Answers ALL of: <ul style="list-style-type: none"> • TWO strategies to encourage worker innovation are explained. AND <ul style="list-style-type: none"> • The impacts of each strategy are fully explained. AND <ul style="list-style-type: none"> • A conclusion that justifies the better strategy is given. AND <ul style="list-style-type: none"> • The answer demonstrates coherent links between concepts. (Answers will typically integrate relevant examples, business knowledge, or Māori business concepts into explanations.)
(b)	<ul style="list-style-type: none"> • The short-term challenges may involve retraining staff to work the new processes. This will raise HR expenses (Explain), reducing profitability in the short term (Fully explain). • If the production process is unsuccessful, then scarce business resources may have been wasted. These resources could have been used more effectively in other areas of the business (Explain), and this may reduce growth in the long term, or even affect the future survival of the business (Fully explain). 	(Answers will typically state relevant examples, business knowledge, or Māori business concepts.)		
(c)	<p><i>Give workers greater freedom and resources to explore new ideas. This will encourage them to follow ideas that interest them.</i></p> <p>A <u>positive impact</u> may be workers developing new ideas that can be put into practice. This could create new products (Explain), and may increase revenue in the longer term (Fully explain).</p> <p>Another <u>positive impact</u> of allowing workers greater freedom in their work is that it will increase motivation, because they feel more valued. This, in turn, may increase productivity (Fully explain).</p> <p>A <u>negative impact</u> is that profitability could fall if ideas do not relate to the firm's market objectives (Explain). This means that the firm's direction may become confused and lack focus (Fully explain).</p> <p><i>Encourage interdepartmental innovation discussion. People sharing views may lead to new ideas.</i></p> <p>A <u>positive impact</u> of interdepartmental discussion is that it would allow the sharing of ideas; this will allow the creation of products that may not have happened previously (Explain). This may improve revenue in the longer term (Fully explain).</p>			

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TWO: Innovation				
	<p>A <u>negative impact</u> is that some workers may feel the meetings are unnecessary, and this might reduce motivation (Explain). This will raise staff expenses (Fully explain).</p> <p>Sharing ideas would be the better strategy, because it would allow managers to monitor innovative ideas and be involved in the idea generation process.</p>			

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THREE: Quality				
(a)	Quality Management will increase the quality of production. This may raise revenue as sales increase / costs decrease, as fewer goods are returned because of faults due to poor quality.	Answers THREE of: <ul style="list-style-type: none"> • Why Quality Management is important is explained. • The impact(s) of moving to TQM on the firm's relationships is explained. • A quality management strategy is explained. • An advantage of this strategy is explained. • A disadvantage of this strategy is explained. 	Any TWO of: <ul style="list-style-type: none"> • Impacts of moving to TQM on the firm's relationships are fully explained. • An advantage of a strategy is fully explained. • A disadvantage of a strategy is fully explained. (Answers will typically include relevant examples, business knowledge or Māori business concepts.)	Answers ALL of: <ul style="list-style-type: none"> • TWO quality management strategies are explained. AND <ul style="list-style-type: none"> • The impacts of each strategy are fully explained. AND <ul style="list-style-type: none"> • A conclusion that justifies the better strategy is given. AND <ul style="list-style-type: none"> • The answer demonstrates coherent links between concepts. (Answers will typically integrate relevant examples, business knowledge or Māori business concepts into explanations.)
(b)	<ul style="list-style-type: none"> • Workers and managers would have a closer professional relationship; Total Quality Management (TQM) means that quality is the responsibility of everyone in the business (Explain). This would require greater cooperation between workers and management (Fully explain). • Suppliers will be encouraged to take responsibility for supplying resources that meet the standards of <i>Winter's Dawn's</i> production requirements. They may incur greater expenses (Explain), which would reduce profitability and may force them to charge a higher price (Fully explain). 	(Answers will typically state relevant examples, business knowledge or Māori business concepts.)		
(c)	<p>Example: <i>Icebreaker</i> is a manufacturer of merino wool activity clothing.</p> <p><i>They could introduce quality circles. This occurs where small teams of workers come together to solve a quality problem.</i></p> <ul style="list-style-type: none"> • Quality circles will bring workers together from different parts of the business to solve problems. This is a <u>benefit</u>, because problems can be highlighted by management and ideas can be created by workers (Explain). This will make changes more in line with management objectives (Fully explain). <p>A <u>negative aspect</u> of quality circles is that workers may be taken away from their normal tasks, which could reduce productivity in other areas of the business (Explain). This, in turn, would reduce profitability (Fully explain).</p> <p><i>They could implement a system of continuous improvement (Kaizen). This is where workers are encouraged to improve quality by individually suggesting improvements to products or processes.</i></p> <p>A <u>positive aspect</u> of continuous</p>			

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	<p>improvement is that it allows workers to improve areas of the business they have a speciality in. This will enable waste to be eliminated (Explain) and productivity to be increased (Fully explain).</p> <p>A negative aspect of continuous improvement is that workers may become drained and demotivated by continuous change (Explain). This may reduce productivity (Fully explain).</p> <p>Continuous improvement would be the better strategy, because it involves all people across the business.</p>			

Judgement Statement

Achievement	Achievement with Merit	Achievement with Excellence
2 A	2 M	2 E
Codes U = Evidence of Achievement I = Evidence of Merit C = Evidence of Excellence		