BUSINESS MANAGEMENT

Written examination

Thursday 14 November 2013
Reading time: 3.00 pm to 3.15 pm (15 minutes)
Writing time: 3.15 pm to 5.15 pm (2 hours)

QUESTION AND ANSWER BOOK

Structure of book

<table>
<thead>
<tr>
<th>Number of questions</th>
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<tbody>
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<td>6</td>
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- Students are to write in blue or black pen.
- Students are permitted to bring into the examination room: pens, pencils, highlighters, erasers, sharpeners and rulers.
- Students are NOT permitted to bring into the examination room: blank sheets of paper and/or white out liquid/tape.
- No calculator is allowed in this examination.

Materials supplied
- Question and answer book of 18 pages.
- Additional space is available at the end of the book if you need extra paper to complete an answer.

Instructions
- Write your student number in the space provided above on this page.
- All written responses must be in English.

Students are NOT permitted to bring mobile phones and/or any other unauthorised electronic devices into the examination room.
Instructions
Answer all questions in the spaces provided.

Question 1 (8 marks)
a. Identify two characteristics of large-scale organisations.  

Question 1 – continued
b. Outline **two** positive and **two** negative contributions that large-scale organisations make to the Australian economy. 4 marks
c. Stakeholders may place competing demands on large-scale organisations. Explain why this may occur. 2 marks

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**Question 2** (18 marks)

ZX Bank is a large retail bank that operates in all states in Australia. In response to a recent market survey of its customers, it is considering opening its branches on Saturdays and Sundays. Currently, the bank’s employees feel that their expectations regarding conditions of employment and work-life balance are being met. The employees have been asked about the proposed change in opening hours and 70 per cent said that they would prefer not to work on weekends but, if they had to, they would expect higher pay rates on those days. The Human Resource Manager has responded, saying that an increase in pay rates might make opening on weekends unprofitable. The bank executives are hoping to reach an agreement with the employees that keeps pay rates at current levels. Both sides believe that it is important to discuss this issue further.

a. Employee expectations include a number of factors. Explain what is meant by work-life balance and conditions of employment. Refer to the information about ZX Bank in your response.

4 marks
b. To resolve the issue regarding the proposed change in opening hours and the employees’ expectations of higher pay rates on weekends, the bank executives will need to apply a range of management skills. Describe two management skills and justify their use in this situation. 4 marks

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c. Compare the centralised and decentralised approaches to employee relations. 4 marks

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d. Discuss the likely consequences of banks or other large-scale organisations introducing new technology to optimise operations. 6 marks
Question 3 (19 marks)

Alice Smith has read the biographies of many great business leaders. She would like to follow in the footsteps of these successful leaders. Alice has just taken over as the CEO of The Traveller’s Helpmate, a business that publishes print and online travel guides. Her observation is that her staff are professional, highly educated and independent. In private conversations, some staff have said that they felt underappreciated by the previous CEO as positive feedback was rarely provided.

a. Define the following leadership qualities that Alice will need in order to be an effective leader. 3 marks

• interpersonal

• informational

• decision-making
b. The biographies that Alice read indicated the importance of a strong corporate culture. Identify **two** indicators of corporate culture and explain how each reflects the shared values and beliefs of an organisation.  

4 marks
c. Alice wants The Traveller’s Helpmate to be seen as ethical and socially responsible. To meet this goal, she is reviewing the key elements of her operations system. Describe one ethical and social responsibility issue that Alice may consider from each of the three elements of the operations system. 6 marks

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d. Alice is choosing between two approaches to staff motivation – Herzberg or Locke. Evaluate the key aspects of both of these theories of motivation and recommend which theory she should adopt. 6 marks
Question 4 (6 marks)
Describe two driving forces for change and analyse their impacts on the internal environment of a large-scale organisation that you have studied this year.
Question 5 (4 marks)

Explain how Kotter’s theory of change management can be used to support the ethical and socially responsible management of change.
Question 6 (10 marks)
The movement of staff into, through and out of an organisation (the employment cycle) is generally managed by the Human Resource Manager.

With reference to management practices and processes that are associated with each phase of the employment cycle, discuss
• how the management role of planning could be used in the establishment phase
• how performance indicators could be used in the maintenance phase
• how the choice of management style could impact on the termination phase.
Extra space for responses
Clearly number all responses in this space.
A script book is available from the supervisor if you need extra paper to complete your answer. Please ensure you write your student number in the space provided on the front cover of the script book. At the end of the examination, place the script book inside the front cover of this question and answer book.