Unit 3 - Outcome 1

Business Foundations

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**CHAPTER 3**

**Key knowledge**

* Management styles, including autocratic, persuasive, consultative, participative and laissez-faire.

2010 Exam - QUESTION 2 – Management Style

Wonderful Toys Company manufactures wooden blocks that were found to contain small amounts of lead paint that can be poisonous to children. The company recalled all of this product.

What **management style** could Wonderful Toys use in this crisis? Explain why you have chosen this management style. Refer to **two** features of this style in your explanation. 5 marks

**2012 EXAM - Question 2**

Glass Transport is a long-established bulk transport provider, which has recently taken a decision to invest in becoming a national parcel delivery service. The opportunity that CEO Catherine Glass seized on arose from fast-growing online sales. In order to build the expanded business, a significant number of new staff will be required. Some of these staff could be relocated from the bulk transport division and some will need to be recruited. Service standards will need to be set and new vehicles purchased. Further decisions will be made to determine whether parcel pick-up from residential and business premises will be offered.

The major existing competitor in parcel delivery is a government-owned postal service. Its business of delivering mostly letters is declining because of emails and texting. Its delivery infrastructure is mostly suited to letters, not parcels. The growing parcel sector is a highly profitable business opportunity for the organisation that ‘gets it right’.

As Glass Transport is becoming more complex in its service offerings, Ms Glass is considering changing the management structure of her organisation.

**2012 EXAM - QUESIOTN 2 B. – Management Style**

By nature, Ms Glass is a consultative manager.

Identify **two** characteristics of this **management style,** and explain one advantage and one disadvantage of using this style. 4 marks

2015 EXAM - QUESTION 1

Swanston Airlines is a large-scale organisation providing flights to all capital cities in Australia. Swanston Airlines recently suffered a technology breakdown in its computerised ticketing system that led to customers not being able to book tickets, get seat allocations or board flights for 24 hours. This resulted in very unhappy customers who missed flights, were angry and argued with staff, and demanded refunds. The CEO of Swanston Airlines has called a meeting of senior management to review current policies and procedures in order to develop a new policy to better deal with customer relations in the future.

2015 EXAM - QUESTION 1 **C. - Management Style**

Justify a **management style** that would be appropriate for the management of Swanston Airlines to use when implementing its new policy. 4 marks

**Key knowledge**

• Management skills, including communicating, delegating, planning, leading, decision-making and interpersonal.

**2011 EXAM - Question 2 – Management Skills**

Freda Campbell is setting up a new business in Melbourne that will manufacture and sell furniture.

**2011 EXAM - QUESITON 2 F.**

Describe and justify **two management skills**, other than communication, that Freda could use while establishing her business. 4 marks

**2013 EXAM - Question 2** - Management Skills

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.

**2013 EXAM – QUESTION 2 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

**2014 EXAM - QUESTION 3 – Management Skills**

Shackleton Pty Ltd is a large-scale business producing and installing state-of-the-art security systems. Its headquarters is in Melbourne and it has numerous offices across Australia. The organisation employs 1000 people. Shackleton has grown into a leader in its field. Shackleton believes in using products of the highest possible quality to ensure that the customer has many years of problem-free use. Shackleton’s CEO, Zac Shackleton, believes that if he employs capable staff, they will motivate themselves to do a good job. However, last month Zac noticed a drop in productivity and a rise in the number of customer complaints. Zac knows he must act swiftly or face competitors gaining a larger market share.

**2014 EXAM - QUESTION 3**  **C. – Management Skills**

Identify and explain **two management skills** that Zac could use to address the issue of customer complaints. 4 marks