

**Question 1**

**Question 1c.**

| Marks | 0  | 1  | 2  | Average    |
|-------|----|----|----|------------|
| %     | 46 | 31 | 23 | <b>0.8</b> |

The following is an example of a high-scoring response.

*Net profit figures are a key performance indicator relating to a business's overall profit after taxes and expenses are deducted. Increasing rates of staff turnover at Gadget Industries is likely to have negatively impacted net profit. As employees leave the business it can become*

*expensive for them to go through the recruitment process and provide new employees with the opportunities for training and development. These expenses are likely to decrease the net profit of Gadget Industries.*

**Question 2**

| Marks | 0  | 1  | 2  | 3 | Average    |
|-------|----|----|----|---|------------|
| %     | 32 | 40 | 23 | 5 | <b>1.1</b> |

The following is an example of a high-scoring response.

*Rate of productivity growth refers to the change in efficiency of the operations system over time, the level of output obtained from a set level of input. This would be a good performance indicator because management can compare the amount of work done by employees before and after the policy about social media was introduced. If employees are getting more done it suggests that less distractions from phones is increasing employee productivity and hence the rate of productivity has increased. If the rate of productivity has decreased or remained the same the policy may be re-evaluated to become more effective.*

**Question 3**

| Marks | 0  | 1  | 2  | Average    |
|-------|----|----|----|------------|
| %     | 41 | 43 | 16 | <b>0.8</b> |

The following is an example of a high-scoring response.

*Percentage of market share refers to the amount of customers who buy the product or service from the organisation out of the total customers who purchase the good or service in the industry, and is presented as a percentage.*

*Number of customer complaints refers to the amount of dissatisfied customers voicing their dissatisfaction through verbal or written forms. For example, the rise in customer complaints at Shackleton is the increase of customer dissatisfaction with the good or service.*

**Question 4**

| Marks | 0  | 1  | 2  | 3  | 4  | Average    |
|-------|----|----|----|----|----|------------|
| %     | 16 | 15 | 30 | 15 | 24 | <b>2.2</b> |

Performance indicators that are relevant to measure the success of the change in Websters's focus include (two of)

- percentage of market share
- number of sales
- net profit figure
- customer satisfaction levels as measured through a customer satisfaction survey.

The following is an example of a high-scoring answer.

*Performance indicators are specific criteria used to measure effectiveness and efficiency of performance.*

*Websters could use the number of sales which looks at the number of chocolates sold in a particular time. This is done by comparing the new numbers with some old statistics taken. If the numbers have increased it shows that Websters are using the right methods to increase competitiveness. If there are not, it means Websters needs to identify where they can continue to fix it.*

*Secondly, customer complaints are often made when the quality of a product is quite poor. As quality improves you would expect the number of customer complaints to drop significantly. By comparing previous numbers with the number after the implementation of the quality management strategies the organisation will be able to notice if quality of product has increased as customers are happier with the product.*

### Question 5

| Marks | 0 | 1 | 2  | 3  | 4  | 5  | 6  | 7 | 8 | 9 | 10 | Average |
|-------|---|---|----|----|----|----|----|---|---|---|----|---------|
| %     | 8 | 7 | 11 | 16 | 18 | 15 | 11 | 8 | 4 | 2 | 1  | 4       |

The following is an example of a high-scoring response.

*Change is considered dynamic because the sources of change are dynamic, and LSOs must adapt to changes from internal and external environments in order to stay competitive.*

*External sources for change are those that LSOs have little to no control over. When Linfox underwent organisational change to become more socially responsible, a major external source of change was political factors. Legislation can force or encourage LSOs to adapt certain policies or change their operations. At Linfox, the Rudd Government's introduction of the Carbon Tax encourages Linfox to reduce its carbon emissions in order to prevent costs associated with high emissions. In this way political forces were driving forces for change as LSOs must consider the consequences of not following legislation. Another external factor is social attitudes, that is, opinions and sentiments held by the public regarding current issues. At Linfox, the release of Al Gore's documentary 'An Inconvenient Truth' raised public awareness about climate change and led to interest groups and individuals putting pressure on LSOs to minimise their impact on the environment. Linfox chose to act according to social attitudes and become more responsible for its impact on the environment. The public and influence change by choosing whose products and services they purchase based on the organisation's reputation for being ethical and socially responsible, and negative press surrounding an organisation's response to social issues can vastly impact their profits, this these social forces are critical sources of organisational change.*

*This push for change can also be found inside the organisation, for example, management can act as a driving source for change. The productivity and profitability of an LSO is critical to managers and so if they believe a change will help them reach their objectives they will take action to promote it. In Linfox's change to become socially responsible the CEO was pivotal in introducing and encouraging the change by implementing policies and recruiting in line with the valued he wanted Linfox to uphold. By rewarding employees who embrace the change through their 'Greenfox' status and communicating the change in a way that all employees understand, management can be a source for change if they believe it is in the organisation's best interests. A second internal factor is the employees who play a vital role in implementing the change. If employees see that a change is necessary they will embrace and promote it. For example, if they are concerned about unsafe practices at work they are likely to demand change to occupational health and safety policies and thus become the source for change. At Linfox, employees were seen to embrace change and implement it by nominating themselves as 'Greenfoxes' who act as leaders for the change. Thus, employees themselves can drive organisational change.*

### Question 6

| Marks | 0  | 1  | 2  | 3  | Average |
|-------|----|----|----|----|---------|
| %     | 11 | 21 | 30 | 39 | 1.9     |

The following is an example of a high-scoring response.

*A driving force includes the people, activities and structures that both support a change and actively work to make it possible. An example of a driving force is management. If they see lots of benefits with the introduction of change, perhaps it increases productivity, then they are likely to support it and push it through so that their subordinates are more likely to achieve objectives.*

*A restraining force differs in that it includes the people, activities and structures within an organisation that resist the change and actively try to stop it. A restraining force could be employees. If a change is brought in that an employee is unfamiliar with, such as new technology, they may be fearful of the unknown. They may also be scared that a change may result in loss of jobs, thus actively resist it.*

### Question 7

| Marks | 0  | 1  | 2  | Average |
|-------|----|----|----|---------|
| %     | 30 | 46 | 24 | 1       |

Driving forces might include:

- innovation
- customers
- competitors
- environment
- technology
- social change.

Restraining forces might include:

- employees
- cost
- time.

The following is an example of a high-scoring response.

*Driving forces are those forces acting on a situation that are pushing in the direction of/supporting a proposed change. One driving force at AusClean Air is customers, who are the people purchasing and consuming an organisation's product/service. Because customers are now increasingly demanding air conditioners, this places pressure on AusClean Air to implement the change to produce new air conditioners (driving force) in order to meet customer demand and thus attract more customers/improve market share.*

### Question 8

| Marks | 0  | 1  | 2  | 3  | 4  | 5 | Average |
|-------|----|----|----|----|----|---|---------|
| %     | 30 | 12 | 19 | 20 | 13 | 6 | 1.9     |

The following is an example of a high-scoring response.

*The differentiation approach is where the business is able to gain a stable competitive advantage by becoming unique in its industry in a way that is valued by customers. Shandra's Dairy Ltd should differentiate their dairy products by giving them unique value, which could be done by using unique ingredients and recipes for their dairy products which are unmatched by competitors in the industry. By having a unique dairy range which customers value, Shandra's Dairy Ltd will be able to develop a highly loyal customer base and demand for their products as customers are unable to get the unique items from competitors. This approach, if done correctly, will allow for Shandra's Dairy Ltd to charge a premium price for their products, as customers are willing to pay more as they perceive their dairy products to be of special value. This will allow for Shandra's Dairy Ltd to increase their profits on each sale made. However, Shandra's Dairy Ltd may find that they run into cost issues in their attempts to add value to their products. If costs rise uncontrollably, the benefit of premium pricing will be negated. Also, if a competitor decides to copy the products produced by Shandra's Dairy Ltd, they may lose their unique attributes and therefore run the risk of no longer being unique.*