

Question 1

| Marks | 0 | 1 | 2 | 3 | 4 | 5 | 6 | Average |
|-------|---|---|----|----|----|----|---|---------|
| % | 9 | 7 | 16 | 27 | 22 | 13 | 6 | 3.1 |

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

The three step change model provides a scaffold which a business can follow to implement successful changes. The first step, unfreeze, is about opening up the business to a state where it has the momentum to undergo the change. This involves communicating a vision for the change to stakeholders and creating a sense of urgency for the change. Shandra's Dairy Ltd could unfreeze by first communicating a vision of the snack foods that they are hoping to implement and highlighting the benefits of the expansion to key stakeholders to get them on board with the change.

The next step, change, is about moving towards the desired state of the business by transforming and involves providing ongoing support and dedicating the necessary resources towards the change. Shandra's Dairy Ltd could empower employees to get them working towards developing the new snack foods and allocate the necessary resources towards expanding the product range in order to provide a smooth transition.

The final stage, refreeze, is about reinforcing the change into the business so it will not revert to old ways. This involves anchoring the changes into the culture and making necessary adjustments. Shandra's Dairy Ltd should provide ongoing training to staff who have taken on new roles in the snack food production and allow for new suggestions and product innovations so that the business will continue its commitment to the expanded product range and snack foods.

Question 2

| Marks | 0 | 1 | 2 | 3 | 4 | Average |
|-------|----|----|----|----|----|---------|
| % | 16 | 19 | 30 | 23 | 11 | 2 |

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

Suppliers are the businesses that provide a business with its raw materials and resources. By reducing wastage, this could have a negative impact on suppliers as there may be less demand for resources as the business is making better use of the resources they have. Suppliers may see decreases in their quantities they deliver, and receive less pay. Reducing level of wastage will likely positively impact shareholders. Shareholders are those who own part of the business. With wastage levels decreasing, this will significantly reduce costs for the business in the long term. As a result, shareholders may receive increased dividends through improved profit margins, and they will receive a better return on investment as the business increases in value and so do their shares.

Question 3

| Marks | 0 | 1 | 2 | 3 | 4 | Average |
|-------|---|----|----|----|----|---------|
| % | 3 | 10 | 33 | 32 | 21 | 2.6 |

The most common responses focused on employees and shareholders, although other stakeholders included:

- management
- suppliers (of food, fuel, etc.)
- suppliers (of technology)
- competitors
- the airport.

High-scoring responses described the stakeholder and their interest clearly and then went on to fully explain how they had been affected by the breakdown. Many students simply defined the stakeholders or didn't link the effect to the breakdown. It was also noted that many students defined the term 'stakeholders' when this was not required, and so wrote less on the effects. Students are reminded that writing definitions for key terms in a question is not always the starting point and that they should focus on answering the question asked.

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

A stakeholder is an individual or group that interacts with the organisation and has a vested interest in its activities. One key stakeholder is the employees who work for the organisation who would have been significantly affected by the technology breakdown. Dealing with 'very unhappy customers' would have caused significant stress while customers being 'unable to board flights' would mean they could not do their jobs. As a result it is likely that morale and motivation will be very low, thus limiting their ability to be productive and satisfied at work.

Another stakeholder is the shareholders, that is, those who own shares of Swanston Airlines. The customer dissatisfaction and likely bad press caused by the technology breakdown could make the organisation less profitable, resulting in smaller dividends. This will be very frustrating and disappointing and could result in them selling shares or demanding that the organisation take immediate action to become profitable again.

Question 4

| Marks | 0 | 1 | 2 | Average |
|-------|----|----|----|---------|
| % | 59 | 20 | 20 | 0.6 |

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

Stakeholders are individuals or groups who have a vested interest in an organisation and its activities and each have different demands. For example, customers and shareholders are two stakeholders who may place competing demands on a large-scale organisation and both are from the external, operating environment.

Customers are those who purchase goods or services from an organisation, and therefore, have an interest in the price of the products or services, and, presumably, want them to be as low as possible.

Shareholders are partial owners of an LSO through the purchase of shares, and are paid in dividends. They therefore, want to profit as much as possible from the LSO.

Thus these two stakeholders offer competing demands as customers demand low prices, however, shareholders may not profit as much from low prices. Therefore, the LSO has to decide which demand is more appropriate to adhere to, and act accordingly.

Question 5

| Marks | 0 | 1 | 2 | 3 | 4 | Average |
|-------|----|----|----|----|----|---------|
| % | 22 | 11 | 24 | 25 | 19 | 2.1 |

High-scoring students adopted a logical approach, breaking down their response into:

- identification of the strategy
- description of the strategy and why it was low-risk (or high-risk)
- a link to the implementation of the new policy.

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

One low-risk strategy Swanston Airlines could use is training, that is, developing the skills of employees so that they can perform their jobs as efficiently and effectively as possible. Showing the employees how to implement the policy and providing them with the skills they will need to do so will overcome any fears they have about the changes while preventing confusion from spreading. While more long term, low-risk strategies are considered more ethical. A high-risk strategy that could be used is threats, that is, telling employees that there will be some form of punishment if they do not go along with the change, for example that they will be dismissed if they do not implement the policy. While it is effective in the short term, high-risk strategies can cause disharmony and resentment among employees, and it may become less effective in the future.

Question 6

| Marks | 0 | 1 | 2 | 3 | 4 | 5 | 6 | Average |
|-------|----|---|----|----|----|----|---|---------|
| % | 18 | 9 | 15 | 20 | 22 | 10 | 6 | 2.8 |

Low-risk practices might include:

- communication
- participation
- support
- negotiation
- introduction of a change agent.

High-risk practices might include:

- manipulation
- threat.

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

To tackle resisting forces to change, management may decide to implement high-risk and low-risk strategies. Low-risk strategies refer to methods of approaching change in an incremental, steady manner which can reduce levels of anxiety and fear during the stressful process of organisational change.

A low-risk practice can involve employee involvement or teamwork through the process, and enables employee input and two way communication. This practice could enable the HRM to discuss and ask employees their ideas for the process of implementing the new technologies. This strategy can also reduce anxieties as the situation is clearly explained so there are no misunderstandings. One disadvantage is that it is very time consuming to get employee involvement.

A high-risk practice enables for the immediate implementation of change, and is appropriate for critical situations, though may increase resisting forces rather than eliminate them.

The HRM of AusClean Air may choose to coerce or use threats to convince employees who are against the change. They may do this through threatening mass redundancies or wage-cuts. The disadvantage of high-risk strategies are that it fosters a negative corporate culture which breeds mistrust and a bad employee-employer relationship. It is beneficial for quick change implementation though. Low-risk strategies would be more effective as they supportively manage the implementation of change.