

Assessment Schedule – 2014

Business Studies: Demonstrate understanding of the internal operations of a large business (90843)

Evidence Statement

Notes:

Explaining is giving reasons for the statement / description.

Fully explaining is developing the explanation with further expansion of how the situation contributes to a given **outcome**, or may impact on potential business or stakeholder goals.

Justifying the significance of the event / action / decision, or the likelihood of success, uses relevant **evidence**. This may include reference to the alternative courses of action, or new information to further support the decision, that has not already been established in earlier parts of the question.

Each question should be read as a whole before awarding a grade.

Q 1	Sample answers / evidence
(a)	<p>A tall organisational structure has a hierarchy with many levels (Described). There are usually many managers, and each manager has a small span of control – they are in charge of only a small group of people. This can decrease the workload for the managers, and tasks can be more readily delegated to subordinates, further decreasing manager workload (Explained).</p> <p>Tall organisational structures often have a clear chain of command, which allows managers to give well defined tasks and roles to their employees. A chain of command also provides a definite pathway for promotion, which could motivate some workers.</p>
(b)	<p>As <i>Clever Pay</i> grows, new levels could be added to the hierarchy. The chain of command would therefore be longer, leading to extended lines of communication. Communication could break down. Decision-making would become more centralised (Explained).</p> <p><i>Clever Pay</i> could experience slow decision-making, as communication needs to go through so many levels. Approval may be needed at each level. This could decrease operational flexibility and <i>Clever Pay's</i> ability to respond to market conditions (Fully explained).</p> <p>Tall structures could reduce innovation, because the people closest to the end users (employees) are not making the decisions. These employees (subordinates) may feel less motivated, thus decreasing productivity (Fully explained).</p>
(c)	<p><i>Flat organisational structure</i></p> <ul style="list-style-type: none"> • A flat organisational structure has fewer levels within the hierarchy, and therefore fewer layers of management. The chain of command is reduced, and communication can be quicker. Each manager will have a wider span of control, and therefore more responsibility. • A flat organisational structure allows for a decentralised approach to decision-making. Decision-making could move from the CEO and middle managers to employees (Explained). This would give employees (designers / technicians) more ownership of decisions. This allows for employees to have more responsibility and be more involved in the decision-making process. This could empower employees. Motivation and worker productivity could increase (Fully explained). <p><i>Justification</i></p> <ul style="list-style-type: none"> • A flat organisational structure will reduce the chain of command, leading to shorter lines of communication. Decision-making could become quicker. Employees with operational knowledge may get more say in decisions. <i>Clever Pay</i> therefore may be more responsive to changes in the market. This could differentiate <i>Clever Pay</i> from its competitors and improve competitiveness. • A flat organisational structure will give employees more authority and responsibility in decision-making. They will have more input into the design and production of the software. This could allow for greater flow of ideas and innovation, possibly leading to a unique point of difference. This could give <i>Clever</i>

<p><i>Pay</i> a competitive edge and enable it to attract new customers and maintain <i>Clever Pay</i>'s position as market leader.</p> <p>Matrix organisational structure</p> <ul style="list-style-type: none"> • A matrix organisational structure divides the work into projects. Employees are brought together with various specialist skills, with the goal of completing the project successfully. • A matrix organisational structure allows for a decentralised approach to decision-making. Decision-making could move from the CEO and middle managers to employees (Explained). This would give employees (designers / technicians) more ownership of decisions (responsibility), and could empower employees. Motivation and worker productivity could increase (Fully explained). <p>Justification</p> <ul style="list-style-type: none"> • Decisions can be made quickly. <i>Clever Pay</i> may therefore become more responsive to changes in the market. This could differentiate <i>Clever Pay</i> from its competitors. This could increase sales and improve its competitiveness, and retain <i>Clever Pay</i>'s position as market leader. • A matrix organisational structure allows for teams of specialist employees to work together. Decision-making should improve. They will have more input into the design and production of the software. This could allow greater flow of ideas and innovation, possibly leading to a unique point of difference. This could give <i>Clever Pay</i> a competitive edge and the ability to attract new customers.

Achievement		Achievement with Merit			Achievement with Excellence		
<ul style="list-style-type: none"> • Explains one feature of a tall organisational structure. • Explains a problem that may occur if the business continues to use a tall organisational structure. • Explains the features of the new organisational structure. • Explains how the decision-making process could change with this new organisational structure. <p>(Answers will typically state relevant examples, business knowledge, and / or Māori business concepts.)</p>		<ul style="list-style-type: none"> • Fully explains some of the problems that may occur if the business continues to use a tall organisational structure. • Fully explains how the decision-making process could change with the implementation of the new organisational structure. <p>(Answers will typically include relevant examples, business knowledge, and / or Māori business concepts.)</p>			<ul style="list-style-type: none"> • Fully explains how the decision-making process could change with the implementation of the new organisational structure. <p><i>AND</i></p> <ul style="list-style-type: none"> • Justifies, with TWO reasons, how the chosen organisational structure could improve <i>Clever Pay</i>'s competitiveness. <p>(Answers will typically integrate relevant examples, business knowledge, and / or Māori business concepts into explanations.)</p>		
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence, partial explanations.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. Most points covered, including some justification.	Excellence evidence. All points covered. One part may be weaker.

N0 = No response; no relevant evidence.

Q 2	Sample answers /evidence
(a)	<p>Leadership is important because it involves setting the direction and vision of the business. A leader can create long-term strategic goals and communicate these effectively to staff.</p> <p>Good leadership is important, as it can motivate employees. This is because a good leader can set an example for employees to follow.</p> <p>Good leadership is important, as it can enhance the organisational culture of a business. Stakeholders (employees, customers, suppliers) can be inspired by a good leader and increase their loyalty to the business.</p>
(b)	<p>The role of a leader (Rob) is to create the company's vision and set business objectives for the whole company. The role of a manager (Jack) is to execute this vision and achieve the business objectives of the Research and Development (R&D) department by organising people and tasks (Explained).</p> <p>For example, Rob could create the vision of <i>Clever Pay</i> becoming an innovative company. The execution of this vision is Jack's responsibility as manager of the R&D Department. Jack will need to organise people and tasks effectively to achieve <i>Clever Pay's</i> vision (Fully explained).</p>
(c)	<p><i>Sample answers:</i></p> <p><u>Example of good management</u></p> <p>One example of good management that Jack could implement is the delegation of tasks. Delegation means allocating tasks to employees. It is important that Jack delegates tasks, as he will not be able to complete all tasks on his own. Delegation involves giving more responsibility to employees and can have the effect of empowering them (Explained).</p> <p>Other examples may include the provision of appropriate training, clear and transparent appraisal, and recognition of efforts.</p> <p><u>Full explanation of the impact of good management</u></p> <p>Good management will have a positive effect on employees. Employees are more likely to engage with company objectives when they feel valued and part of the business. Employees would feel engaged, as they are delegated tasks that best meet their abilities (Explained). Therefore workers will work harder, as they have increased responsibility, increasing their motivation and productivity (Fully explained).</p> <p>Good management will create a positive organisational culture in the R&D department. Employees will buy into this positive culture (Explained). Employees would enjoy their work. Staff morale would likely rise. Staff would probably be more loyal to <i>Clever Pay</i>, and staff turnover would be reduced (Fully explained).</p> <p><u>Justification</u></p> <p>Good management of the R&D department would result in <i>Clever Pay</i> producing new or improved products and procedures. This is critical for <i>Clever Pay</i>, as it would enable it to increase its competitiveness and ensure that it retains its position as market leader. The improved products and procedures would create a point of difference from competitors. <i>Clever Pay</i> could therefore increase its market share and improve its long-term sustainability.</p> <p>Good management of the R&D department would result in <i>Clever Pay</i> producing new or improved products and procedures. This would reinforce its reputation as the market leader for integrated payroll solutions. As market leader, it could set the standard in the industry. <i>Clever Pay</i> would gain a reputation as an innovative company. The company should be able to retain and attract new customers, thus increasing its revenue, market share, and long-term sustainability.</p> <p>Good management of the R&D department could lead to the retention of existing employees. Employees will more likely stay if the manager can create a positive environment for its workers. <i>Clever Pay</i> could benefit from experienced staff and save costs in hiring and training new employees. This could therefore lead to long-term economic sustainability. Or <i>Clever Pay</i> could attract new employees through good management. Skilled and talented employees would be attracted to a business that rewards its workers. This will add to the long-term economic sustainability of <i>Clever Pay</i>.</p>

Achievement		Achievement with Merit			Achievement with Excellence		
<ul style="list-style-type: none"> Explains the importance of good leadership. Explains how the roles of Rob as leader and Jack as manager can be different. Explains one example of good management that Jack could implement in the new R&D department. Explains the impact of good management by Jack. (Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)		<ul style="list-style-type: none"> Fully explains how the roles of Rob as leader and Jack as manager can be different. Fully explains the impact of good management by Jack. (Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)			<ul style="list-style-type: none"> Fully explains the impact of good management by Jack. AND <ul style="list-style-type: none"> Justifies, with TWO reasons, how good management of the R&D department could improve the long-term sustainability of <i>Clever Pay</i>. (Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)		
N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence, partial explanations.	Some Achievement evidence.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. Most points covered, including some justification.	Excellence evidence. All points covered. One part may be weaker.

N0 = No response; no relevant evidence.

Q 3	Sample answers / evidence
(a)	<p>Organisational culture is the values, attitudes, and behaviours that shape the environment of the business. This can be embodied by the phrase, “It is the way we do things around here”.</p> <p>Organisational culture can include the vision, norms, working language, systems, symbols, beliefs, and habits of a business.</p> <p>Organisational culture is unique for every business, and can be difficult to change.</p>
(b)	<p>An inclusive culture requires ALL employees to be involved in decision-making. Employees often have ideas that could improve the performance of a business. By creating an inclusive culture, <i>Clever Pay</i> encourages enterprise in all its employees and allows them to contribute to the company’s success. New ideas and improvements are more likely (Explained). This could improve the product range (such as overseas transfer of funds to pay for products in other countries, improved security, or the creation of a banking app for customers), leading to an improvement in the service <i>Clever Pay</i> provides to its customers (Fully explained).</p> <p>An inclusive culture involves all employees feeling part of <i>Clever Pay</i>. This could lead to an increase in staff morale, as employees feel valued. Employees are therefore more likely to have positive interactions with customers, thus improving the customer service of <i>Clever Pay</i> (Fully explained).</p> <p>An inclusive culture is important, as it allows all employees to share the vision and goals of the business. There is a shared feeling of working together. Employees would feel more valued, and thus would buy into the values of the company. Employees may feel more empowered, leading to an increase in output per unit of input. Thus, the productivity and performance of <i>Clever Pay</i> would increase (Fully explained).</p>
(c)	<p><u>Explain a business goal for the named business</u></p> <p>Business goals may include: increasing sales, profit, or market share; improving employee retention; customer service; corporate citizenship; growth; innovation; risk-taking; staff morale; motivation. Also: less wastage; reduced staff turnover or absenteeism.</p> <p><i>Example: Business Goal – improving employee retention</i></p> <p>Employee retention is the ability of a business to keep its existing employees. The named business has a goal of providing a work environment (culture) that will help to retain its current staff. This is because it can be difficult to attract and retain quality staff. By retaining its current quality staff, the named business could reduce hiring and training costs.</p> <p><u>Examples of how a business could change its organisational culture to achieve its business goal</u></p> <p>Changing the layout of the workspace; changing company values through vision and mission statements; changing habits (like casual Fridays or providing free fruit); providing an environment of fun; flexible working hours for employees; new systems (eg recycling); incentives and rewards for employees; employee of the month.</p> <p>The named business could provide flexible working hours. This means employees (where possible) would have the flexibility to choose their own hours of work. Employees would have an improved work/life balance, possibly improving their work ethic and commitment to the business, thus improving employee retention (Explained). The employer shows that it trusts its employees, which could empower them to work harder and increase their commitment and loyalty to the business. Flexible work hours would change the culture of the business and lead to improved retention of staff (Fully explained).</p> <p>The named business could modify its vision or mission statement to better align with the values of its stakeholders. This may involve practising kaitiakitanga. The named business would need to develop new systems to ensure resources were used in a sustainable way (eg recycling), and that its staff are looked after well. The named business could become a better place to work, improving employee retention (Explained). Employees are more likely to want to continue working for a business where the values of the business match their own values. They may feel more motivated, increasing their loyalty to the business, and improving the ability of the business to retain employees (Fully explained).</p>

	<p><u>Justification</u></p> <p>The better option for the named business might be to provide flexible working hours for its employees. This is because employees are a key component of the business. The employees are given more responsibility for scheduling their tasks during each work day. This could improve employee productivity, motivation, and loyalty to the business. Having flexible working hours allows the named business to support employees in the other things in their lives that are important. The named business will therefore be more likely to retain its current employees. Changing the vision or mission statement might be seen as “lip service” only, and have limited impact in retaining current employees.</p>
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Achievement		Achievement with Merit			Achievement with Excellence		
<ul style="list-style-type: none"> Explains the term “organisational culture”. Explains how an inclusive organisational culture at <i>Clever Pay</i> would improve its customer service and productivity. Explains a business goal. Explains TWO ways in which the named business could change its organisational culture to achieve the business goal. <p>(Answers will typically state relevant examples, business knowledge, and/or Māori business concepts.)</p>		<ul style="list-style-type: none"> Fully explains how an inclusive organisational culture at <i>Clever Pay</i> would improve its customer service and productivity. Fully explains TWO ways in which the named business could change its organisational culture to achieve its business goal. <p>(Answers will typically include relevant examples, business knowledge, and/or Māori business concepts.)</p>			<ul style="list-style-type: none"> Fully explains TWO ways in which the named business could change its organisational culture to achieve its business goal. <p><i>AND</i></p> <ul style="list-style-type: none"> Justifies, with TWO reasons, which change in organisational culture is more appropriate for achieving the business goal. <p>(Answers will typically integrate relevant examples, business knowledge, and/or Māori business concepts into explanations.)</p>		
N1	N2	A3	A4	M5	M6	E7	E8
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Cut Scores

	Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
Score range	0 – 7	8 – 13	14 – 18	19 – 24